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LEGISLATIVE HISTORY

Public Law 521 -- 83rd Congress

Chapter 562 -- 2nd Session

S. 1276

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LEGISLATIVE HISTORY

Public Law 85-552 -- 85th Congress

October 2, 1958 -- 1st Session

at large

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FARM-SECURITY LOANS: Amend title I of the Bankhead-Jones Farm Security Act so as to authorize a variable interest rate not in excess of 5% instead of the previous fixed 4% on direct loans; authorize insurance of mortgages bearing interest not in excess of 4% instead of the previous 3%; authorize the direct loans to be secured by second mortgages as well as by first mortgages as previously required; and facilitate administration.

INDEX AND SUMMARY OF S. 1276

March 11, 1953	Senator Young introduced S. 1276 which was referred to the Committee on Agriculture & Forestry. Print of bill as introduced.
June 29, 1953	Committee ordered S. 1276 reported with amendments.
June 30, 1953	Committee reported with amendments. Senate Report 488. Print of bill as reported.
July 2, 1953	Summary of S. 1276 as reported by Senate Committee on Agriculture.
July 16, 1953	Senate passed over.
August 1, 1953	Senate passed as reported.
August 3, 1953	S. 1276 referred to House Committee on Agriculture. Print of bill as referred.
May 21, 1954	Hearings before House Committee on Agriculture on similar bill H. R. 8656.
June 3, 1954	Committee reported S. 1276 with amendments. House Report 1741. Print of bill as reported
July 7, 1954	Committee on Rules reported H. Res. 617 for consideration of S. 1276. House Report 2036.
July 12, 1954	House passed S. 1276 as reported.
July 14, 1954	Senate concurred in House amendments.
July 22, 1954	Approved: Public Law 521.

March 11, 1953	Senator Young introduced S. 1276 which was referred to the Committee on Agriculture and Forestry. Print of bill as introduced.
June 29, 1953	Committee ordered S. 1276 reported with amendments.
June 30, 1953	Committee reported with amendments. Senate Report 107. Print of bill as reported.
July 2, 1953	Summary of S. 1276 as reported by Senate Committee on Agriculture.
July 16, 1953	Senate passed over.
August 1, 1953	Senate passed as reported.
August 3, 1953	S. 1276 referred to House Committee on Agriculture. Print of bill as referred.
May 21, 1954	Hearings before House Committee on Agriculture on similar bill H. R. 8252.
June 3, 1954	Committee reported S. 1276 with amendments. House Report 1741. Print of bill as reported.
July 7, 1954	Committee on Rules reported H. Res. 617 for consideration of S. 1276. House Report 2030.
July 12, 1954	House passed S. 1276 as reported.
July 14, 1954	Senate concurred in House amendments.
July 22, 1954	Approved: Public Law 521.

S. 1276

IN THE SENATE OF THE UNITED STATES

MARCH 11, 1953

Mr. YOUNG introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 3 (b) (2) of the Bankhead-Jones Farm
4 Tenant Act, as amended, is amended by inserting "5 per
5 centum" in lieu of "4 per centum", and section 12 (c) (4)
6 of such Act is amended by inserting "4 per centum" in lieu
7 of "3 per centum".

A BILL

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

By Mr. YOUNG

MARCH 11, 1953

Read twice and referred to the Committee on
Agriculture and Forestry

Daily Digest

HIGHLIGHTS

Both Houses cleared for President bill on military uniforms.

Senate cleared for President bills continuing appropriations and on veterans' housing, passed bill on executive powers extension, and debated mutual security.

House deferred indefinitely consideration of excess-profits tax extension.

Senate committees approved miscellaneous bills and nominations.

Defense Department appropriation bill for 1954 cleared for House debate by Rules Committee.

Conferees reached agreement on bill on housing amendments.

Senate

Chamber Action

Routine Proceedings, pages 7763-7779

Bills Introduced: 9 bills and 1 resolution were introduced, as follows: S. 2233 to S. 2241; and S. J. Res. 93.

Page 7779

Bills Reported: Reports were made as follows:

S. 119, to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma (S. Rept. 475);

H. J. Res. 285, providing for a 1-month extension of certain emergency powers of the President, with amendment (S. Rept. 476);

S. 2239, to amend the Atomic Energy Act relative to long-term electric-utility contracts (S. Rept. 477); and

H. R. 5246, Labor-Health, Education, and Welfare appropriations for 1954, with amendments (S. Rept. 478).

Page 7765

Bill Referred: One House-passed bill was referred to appropriate committee.

Page 7775

Temporary Appropriations: H. J. Res. 287, making temporary appropriations for fiscal year 1954, was passed without amendment, clearing bill for the President.

Page 7779

Veterans' Housing: Senate concurred in House amendments to S. 1376, to extend the provisions of the National Housing Act respecting housing to veterans who served not only during World War II but also prior to such date thereafter as the President shall determine, clearing bill for the President.

Page 7776

Housing: Conference was requested on S. 2103, to amend the National Housing Act and other laws relat-

ing to housing, and Senators Capehart, Bennett, Bricker, Bush, Maybank, Robertson, and Sparkman were appointed as conferees.

• Pages 7776-7779

Military Uniforms: Conference report was adopted on S. 1550, authorizing the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom, clearing the bill for the President.

Page 7779

Executive Powers Extension: Senate passed with committee amendment H. J. Res. 285, providing for a 1-month extension of certain emergency powers of the President.

Page 7765

Mutual Security: Senate began consideration of S. 2128, to extend the mutual security program for fiscal year 1954.

Pages 7781-7793

Nomination: 1 Army nomination was received, along with 1 civilian withdrawal.

Page 7794

Program for Tuesday: Senate recessed at 4:57 p. m. until noon Tuesday, June 30, when it will continue on S. 2128, to extend the mutual security program for fiscal year 1954.

Committee Meetings

(Committees not listed did not meet)

MISCELLANEOUS BILLS

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported the following bills:

Without amendment—S. 1400, to release the rever-
sionary rights of the U. S. in a tract of land located in Wake County, N. C.; S. 2055, to provide for the control

and eradication of scrapie and blue tongue in sheep; S. 2163, to authorize conveyance of certain lands in the U. S. cottonfield station near Statesville, N. C., to the State; and S. 725, to amend the act authorizing and directing a national survey of forest resources so as to include U. S. Territories and possessions; and

Amended—S. 1276, to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act; S. 1367, to extend for 4 years the authority of Federal Crop Insurance Corporation to expand the crop-insurance program into additional counties; S. 984, to provide for the conveyance of certain national forest land in Basalt, Colo.; and S. 1152, to extend for 5 years the authority of the Secretary of Agriculture to make loans to fur farmers.

Also, the committee gave its approval to the introduction of an original resolution which would provide funds to continue the investigation of Canadian wheat imported as unfit for human consumption.

In an afternoon session, committee ordered favorably reported the nomination of Robert Burns McLeaish, of Texas, to be Administrator of the Farmers' Home Administration, prior to which the nominee testified in behalf of his own nomination.

APPROPRIATIONS—AIR FORCE

Committee on Appropriations: Armed Services Subcommittee continued its executive hearings on H. R. 5969, Defense Department appropriations for 1954, with testimony today in behalf of funds for Air Force maintenance and operations from the following Air Force representatives: Maj. Gen. M. J. Asensio, Director of the Budget, Deputy Chief of Staff, Comptroller; Brig. Gen. F. J. Dau, Deputy Director, Directorate of Supply and Services, Headquarters, Air Materiel Command; Maj. Gen. O. S. Picher, Assistant for Programing, Deputy Chief of Staff, Operations; Maj. Gen. N. B. Harbold, Director of Training, Deputy Chief of Staff, Personnel; and Brig. Gen. Olin F. McInay, Director of Plans and Hospitalization, Air Staff.

Subcommittee recessed subject to call.

APPROPRIATIONS—DISTRICT OF COLUMBIA

Committee on Appropriations: Subcommittee concluded hearings on H. R. 5471, District of Columbia appropriations for 1954, with testimony from Val Peterson, Administrator, Federal Civil Defense Administration, and numerous D. C. citizens. Subcommittee recessed subject to call.

MILITARY CONSTRUCTION

Committee on Armed Services: Subcommittee on Real Estate and Military Construction ordered favorably reported to the full committee with amendments, S. 1995, to provide certain construction and other authority for the military departments in time of war or national emergency. Prior to its approval, subcommittee heard

testimony favoring its enactment from John C. Houston, Jr., Acting Chairman of the Munitions Board.

SALE OF GOVERNMENT-OWNED RUBBER PLANTS

Committee on Banking and Currency: Continuing its hearings on S. 2047, to amend the Rubber Act of 1948 to provide for the sale of Government-owned rubber-producing facilities, committee heard testimony, as indicated, from the following witnesses:

Albert J. Rosenthal, General Counsel, Small Defense Plants Administration, who supported those provisions of the bill assuring small business a fair share of synthetic rubber;

Frederick D. Bates, Jr., Chief, Chemicals and Rubber Division, Office of Materials Specialists, Munitions Board, Defense Department, who favored enactment of S. 2047 and suggested that there should be a national security clause for transfer of the plants; and

Lawrence Brown, Director of Research, Publicker Industries, Philadelphia, who suggested certain amendments to the bill to release the alcohol butadiene plants.

Hearings will continue July 1.

MUTUAL SECURITY

Committee on Foreign Relations: Committee met in executive session, after which it announced its agreement to accept amendments proposed by the Committee on Armed Services to S. 2128, to extend the mutual security program for fiscal year 1954.

DOUBLE TAXATION CONVENTIONS

Committee on Foreign Relations: Subcommittee held hearings on the following double taxation conventions: Executive I, 81st Congress, 1st session, and Executive A, 83d Congress, 1st session (both income tax, Belgium); Executive I, 83d Congress, 1st session (income tax, Australia); Executive J, 83d Congress, 1st session (estate tax, Australia); Executive K, 83d Congress, 1st session (gift tax, Australia). Testimony was received from the following witnesses, all of whom favored ratification of these treaties: Dan Throop Smith, Special Assistant to the Secretary of the Treasury; Eldon P. King, Special Deputy Commissioner, Bureau of Internal Revenue; Ellsworth C. Alvord, U. S. Council of the International Chamber of Commerce; Mitchell B. Carroll, National Foreign Trade Council; and Howard A. Bachrach. Subcommittee recessed subject to call.

HAWAII STATEHOOD

Committee on Interior and Insular Affairs: Committee held hearings on S. 49, to grant statehood to Hawaii, with testimony from Delegate Farrington, who submitted a general statement in behalf of the case for statehood for Hawaii. Committee also heard testimony from C. Nils Tavares, chairman of the Hawaii Statehood

FARMERS' HOME ADMINISTRATION INTEREST RATES

JUNE 30 (legislative day, JUNE 27), 1953.—Ordered to be printed

Mr. YOUNG, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1276]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act, having considered same, report thereon with a recommendation that it do pass with amendments.

The bill provides for increasing the interest rates on loans made under title I of the Bankhead-Jones Farm Tenant Act in order to encourage private lenders to make insured loans under that title. The committee amendment would make the increased rate provided by the bill a maximum rate rather than a fixed rate. The report of the Department of Agriculture recommending enactment of the bill is set out below:

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 24, 1953.

HON. GEORGE D. AIKEN,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR AIKEN: This is in response to your request for a report on S. 1276, a bill to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act. It would increase the interest rate on mortgages insured under the act by the Secretary of Agriculture from 3 to 4 percent and the rate on direct loans made by the Secretary from 4 to 5 percent. We recommend that the bill be amended as hereinafter described, and as amended be enacted.

Section 12 of the Bankhead-Jones Farm Tenant Act, as amended, authorizes the Secretary of Agriculture to insure real-estate mortgage loans made by private lenders to farm tenants, farm laborers, sharecroppers, and other persons, including veterans, who are eligible for the benefits of title I of the act for the purpose of acquiring, enlarging, or improving family-size farms. To be eligible for insurance, such mortgages must require amortized repayments over a period not in excess of 40 years, provide for a base rate of interest of not more than 3 percent per annum, secure a principal obligation of not to exceed 90 percent

of the fair and reasonable value of the farm based on normal earning capacity, and required the borrower to pay the Secretary an initial mortgage insurance charge of 1 percent of the principal of the obligation and, thereafter, annual charges of 1 percent on the unpaid principal balance; one-half of such charges to be paid into the mortgage insurance fund and the remaining one-half to be available to the Secretary for administrative expenses. The Secretary of Agriculture handles the making of the loan and acts as agent for the insured lender in making collections and in otherwise servicing the loans. Any such loans in default for 1 year may be assigned to the Secretary after payment of the value of the mortgage to the holder.

The act initially authorized the insurance of mortgages providing for a base interest rate of $2\frac{1}{2}$ percent per annum. Very few investors could be interested in such loans at such rate; so, in 1948, the rate was increased to 3 percent and several other remedial changes were made in the law to make such loans more attractive to lenders. As of January 31, 1953, a total of 7,167 loans was insured for an amount of \$57,688,768.

Early in 1951 the principal lenders who had been participating in this program discontinued making funds available for such purposes. These investors reported that the interest rate of such loans made them less attractive than other investments, including long-term Government securities which can be purchased in even denominations, can be sold without restriction, and from which the income can be collected with less accounting expense on the part of the holder.

As a result of this withdrawal by many lenders, less than one-half as many loans have been insured in the fiscal years 1952 and 1953 as were insured in the fiscal years 1950 and 1951.

It appears that, in order to make insured loans under this authority attractive in competition with other investments, the yield on such loans should provide the lender with a return of approximately 125 points above the yield of long-term Government bonds. As of January 31, 1953, the Secretary of the Treasury reported that long-term Government bonds carried an average interest rate of approximately 2.7 percent. This would indicate that the interest rate on insured mortgages would need to be approximately 4 percent at the present time if such investments are to prove acceptable to private lenders.

There is justification for a higher rate of interest on insured mortgages than that for Government bonds. This is based on the lack of liquidity of insured mortgages, as compared with Government bonds, the fact that the mortgages cannot be purchased in even denominations, the added accounting expense involved in handling partial payments, partial releases, and those other items incident to handling real-estate mortgages.

While these indications appear to support an increase in the interest rate at this time, we believe that the language of the proposed amendment should be sufficiently flexible to authorize the Secretary to make downward adjustments in the interest rate should future money market conditions permit. This could be accomplished by establishing a maximum interest rate instead of a fixed charge. The statutory establishment of a maximum interest rate instead of a fixed charge finds support in the authorization to insure mortgages under the National Housing Act and the guaranty of mortgages under the Servicemen's Readjustment Act, as amended.

Should this suggestion be adopted, the bill should make a comparable change in interest rate on direct loans under title I of the act. With these changes, the bill would read:

"That section 3 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended by inserting 'not in excess of 5 per centum' in lieu of '4 per centum', and section 12 (c) (4) of such act is amended by inserting 'not in excess of 4 per centum' in lieu of '3 per centum'."

We would construe these proposed changes as permitting the Secretary to fix the interest rate on insured mortgages and direct title I loans at a rate less than the maximum, in spite of the provisions of section 44 (b) which now provide that the Secretary "Shall, except as otherwise specifically provided by the Congress, make all loans at the rate of 5 per centum per annum * * *." The effect of the proposed amendment would be to take title I loans and insured mortgages out of the restriction quoted from section 44 (b).

When the authorization to insure mortgages was originally enacted, there was considerable discussion about the relationship between the yield on insured mortgage loans and the interest charged on direct loans by the Secretary. It was the feeling of the Congress at that time that the net cost to borrower, whether under the direct-loan method or the insured-mortgage method, should be approxi-

mately the same. Otherwise, the 90 percent insured mortgage loan would not be attractive so long as funds were made available for direct loans. This same theory was adopted in the amendment to the act in 1948 when the interest rate on direct loans was increased from 3½ percent to 4 percent, and the base rate of interest on insured loans was increased from 2½ percent to 3 percent.

The changes proposed will not require the making available of any additional loan funds for direct loans, nor will there be any substantial increase in administrative expenses. Any increase in the volume of insured loans induced by the bill would undoubtedly be gradual. During the coming fiscal year, the additional cost could probably be absorbed.

For the foregoing reasons, it is the recommendation of this Department that the bill be amended, and, as amended, be enacted.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Under Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

BANKHEAD-JONES FARM TENANT ACT

SEC. 3. * * *

(b) The instruments under which the loan is made and security given therefor shall—

* * * * *

(2) provide for the payment of interest on the unpaid balance of the loan at the rate of [4 per centum] *not in excess of 5 per centum* per annum;

* * * * *

SEC. 12. * * *

(c) In order for a mortgage to be eligible under this title—

* * * * *

(4) the mortgage instruments shall comply with section 3 (b), except that the base rate of interest shall be [3 per centum] *not in excess of 4 per centum* per annum;

* * * * *



Calendar No. 488

83^d CONGRESS
1ST SESSION

S. 1276

[Report No. 488]

IN THE SENATE OF THE UNITED STATES

MARCH 11, 1953

Mr. YOUNG introduced the following bill; which was read twice and referred
to the Committee on Agriculture and Forestry

JUNE 30 (legislative day, JUNE 27), 1953

Reported by Mr. YOUNG, with amendments

[Insert the part printed in italic]

A BILL

To amend the Bankhead-Jones Farm Tenant Act in order to
increase the interest rate on loans made under title I of
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1 *Be it enacted by the Senate and House of Representa-*
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3 That section 3 (b) (2) of the Bankhead-Jones Farm
4 Tenant Act, as amended, is amended by inserting “*not in*
5 *excess of 5 per centum*” in lieu of “4 per centum”, and sec-
6 tion 12 (c) (4) of such Act is amended by inserting “*not*
7 *in excess of 4 per centum*” in lieu of “3 per centum”.

83^d CONGRESS
1ST Session

S. 1276

[Report No. 488]

A BILL

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

By Mr. YOUNG

MARCH 11, 1953

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 30 (legislative day, JUNE 27), 1953

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 3, 1953
For actions of July 2, 1953
83rd-1st, No. 122

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HIGHLIGHTS: Senate passed trade agreement bill. Senate committee voted to report International Wheat Agreement. House committee reported FCA reorganization bill. House sent foreign aid bill to conference.

SENATE

1. TRADE AGREEMENTS. Passed with amendments H. R. 5495, to extend for 1 year the President's authority to enter into reciprocal trade agreements (pp. 8104-61). Senate conferees were appointed (p. 8161).

Agreed to the following amendments:

- By the committee, to strike out the provision increasing the number of members of the Tariff Commission (p. 8106).
- By Sen. Millikin, providing that GATT shall not be affected by enactment of the bill (p. 8106).
- By Sen. Millikin, providing that, in cases of a divided vote, the Tariff Commission shall transmit to the President the findings and recommendations of both groups (p. 8107).
- By Sen. Cordon, providing as follows: "In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President." (pp. 8141-6.)

Rejected the following amendments:

- By Sen. Malone, to establish a Foreign Trade Authority to be responsible to Congress, etc. (pp. 8147-9).
- By Sen. Magnuson, to strengthen the provisions of Sec. 22 of the AAAct regarding import controls on agricultural commodities (pp. 8110-46).
- By Sen. Douglas, adding a new title on customs simplification (pp. 8150-7).

By Sen. Kefauver, to extend the trade-agreements authority for 3 years (pp. 8157-60).

2. WHEAT AGREEMENT. The Foreign Relations Committee voted to report the International Wheat Agreement, Executive H (p. D652).
3. APPROPRIATIONS. H. R. 5246, the Labor-HEW appropriation bill, was made the unfinished business (p. 8166).
4. FARM PRICES. Sen. Young deplored the farm-price decline and inserted a U. S. News and World Report article stating that farmers are willing to have crop control in order to get fixed prices (pp. 8100-1). He also inserted a newspaper editorial saying farmers favor continuation of high supports on wheat (pp. 8101-2).
5. MONOPOLIES. Sen. McCarran discussed the possible need for amendments to the anti-trust laws but said Congress should make the determination (pp. 8102-4).
6. PERSONNEL. Sen. Kilgore paid tribute to the late Frank Yates, Assistant Comptroller General (p. 8102).
7. ADJOURNED until Mon., July 6 (p. 8166).
8. FARM LOANS. In reporting S. 1152 (see Digest 120), the committee agreed to an amendment, which was suggested by the Department, to limit the authority for fur-farmer loans to the making of necessary supplementary advances to those already indebted.

In reporting S. 1276 the same day, the committee amended it to make 5% the maximum interest rate on farm-tenant loans instead of a fixed rate. The present rate is 4%.

9. ANIMAL DISEASES. As reported (see Digest 120), S. 2055 authorizes the Department to control and eradicate scrapie and blue tongue in sheep, and also incipient or potentially serious minor outbreaks of diseases of animals, without the necessity of declaring an emergency which must be based on a threat to the livestock industry.
10. LEGISLATIVE PROCEDURE. S. Doc. 55 is a revision of an earlier document, "Enactment of a Law -- Procedure on a Senate Bill." A small supply of this publication is available from the Legislative Reporting Staff.

HOUSE

11. FCA REORGANIZATION. The Agriculture Committee reported with amendment H. R. 4353, the FCA reorganization bill (H. Rept. 701)(p. 8218).
12. FOREIGN AID. House conferees were appointed on H. R. 5710, to extend the Mutual Security Act(p. 8214). Senate conferees were appointed July 1.
13. GRAIN STORAGE; PRICE SUPPORTS. Rep. Curtis, Nebr., claimed farmers are getting considerably less than the support price on wheat because of lack of storage space, and spoke in favor of the Martin-Curtis bills to provide additional storage facilities by granting more rapid tax amortization on such facilities (pp. 8216-7).
14. DROUGHT RELIEF. Received a Grass Roots Cattlemen (Vega, Tex.) petition for drought relief (p. 8219).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 7, 1953
For actions of July 6, 1953
83rd-1st, No. 123

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HIGHLIGHTS:

Senate passed bills to continue Mexican farm-labor program, extend forest survey to Alaska, continue crop-insurance expansion, and authorize additional animal-disease control. Sen. Johnson, Tex., urged use of Sec. 32 funds for drought relief. House committee voted to report drought-relief bill. Sen. Schoepfel favored Government livestock purchases for drought relief.

SENATE

1. FARM LABOR. Passed as reported H. R. 3480, to continue the Mexican farm labor program. The Senate version provides for a 1-year extension, whereas the House version provides for a 3-year extension. (pp. 8227-8.)
2. FORESTRY. Passed as reported S. 725, to amend the McNary-McSweeney Forest Research Act so as to make it clear that the comprehensive forest survey provided for in that Act may be extended to the U. S. territories and possessions (pp. 8241-2).
Passed as reported S. 894, to convey a tract of national forest land at Basalt, Colo., to Alfred H. Sloss (p. 8242).
3. CROP INSURANCE. Passed as reported S. 1367, to extend for 2 years the authority of FCIC to expand the crop-insurance program into additional counties (p. 8242).
4. ANIMAL DISEASES. Passed without amendment S. 2055, to authorize the Department to control and eradicate scrapie and blue tongue in sheep, and also incipient or potentially serious minor outbreaks of diseases of animals, without the necessity of declaring an emergency which must be based on a threat to the livestock industry (pp. 8242-3).
5. DISASTER RELIEF. Passed as reported S. 2199, to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government (p. 8243).
Sen. Johnson, Tex., recommended use of \$118,000,000 of Sec. 32 funds for drought relief (pp. 8252-8).

6. OLEOMARGARINE. Discussed and, at the request of Sen. Case, passed over S. 1806, to permit the Navy to serve oleomargarine (p. 8232).
7. LAND TRANSFER. Discussed and, at the request of Sen. Smathers, passed over S. 1400, to permit release of the reversionary rights to a rural-rehabilitation land tract in Wake County, N. C., and S. 2163, to authorize conveyance of the U. S. cotton field station near Statesville, N. C., to that State (p. 8243).
8. FARM LOANS. At the request of Sen. Gore, passed over S. 1276, to increase the interest rate on farm-tenant loans (p. 8243).
9. PROPERTY ACQUISITION. Received a Colo. legislature resolution favoring limits on Government acquisition of private property (p. 8223).

HOUSE

10. DROUGHT RELIEF. The Agriculture Committee ordered reported (but did not actually report) with amendments H. R. 6054, to provide emergency aid to farmers and stockmen in the drought areas (p. D659).
11. EDUCATION. The Education and Labor Committee reported (July 3) without amendment H. R. 6049, to provide school-construction assistance in federally affected areas (H. Rept. 702), and H. R. 6078, to extend and improve the act providing aid to federally affected local educational agencies (H. Rept. 703) (p. 8281).
12. FOOD INSPECTION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 5740, to permit factory, warehouse, etc., inspection by the Food and Drug Administration after first giving written notice to the owner (H. Rept. 708) (p. 8281).
13. GRAZING LANDS. Rep. Metcalf spoke in favor of his bill, H. R. 6081, to amend the Taylor Grazing Act so as to provide for more representative district advisory boards, authorize a multiple-use program, etc. (pp. 8275-6).
14. ELECTRIFICATION. An Interior and Insular Affairs subcommittee approved for reporting to the full Committee H. R. 3598, to consolidate the Parker Dam power project and the Davis Dam project (p. D659).
15. PRICE DISCRIMINATION. Received a National Association of Retail Grocers petition urging support of S. 1357, to strengthen the Robinson-Patman Act (p. 8281).

BILLS INTRODUCED

16. CONSUMER INTERESTS. S. Res. 128-134, by Sen. Gillette, to direct various standing committees to investigate and study matters affecting consumer interests; to the various committees affected (pp. 8224-6).

ITEMS IN APPENDIX

17. DROUGHT RELIEF. Extension of remarks of Sen. Schoeppel favoring Government purchases of livestock to aid drought-stricken farmers and cattlemen, including a newspaper article showing the farm outlook in the drought areas (pp. A4334-5).
Rep. Price inserted three newspaper articles discussing the drought and claiming that the cattlemen who only recently wanted nothing from the Government except to be let alone now welcome drought aid (pp. A4309-10, 4311, 4314-5).

incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the purchase and destruction of diseased or exposed animals (including poultry), or the destruction of such animals and the payment of indemnities therefor, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

BILL PASSED OVER

The bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. GORE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

DISTRIBUTION OF SURPLUS EQUIPMENT AND SUPPLIES DURING MAJOR DISASTERS

The Senate proceeded to consider the bill (S. 2199) to allow State and local governments during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government, which had been reported from the Committee on Public Works with an amendment, on page 1, after line 7, to strike out "(c) by giving equipment and supplies determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States and local governments for use or distribution, by them, in such a way as, in the judgment of the responsible representatives of such States and local governments, will best alleviate the damage, hardship, or suffering caused by such major disaster," and insert "(c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of the Act including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster", so as to make the bill read:

Be it enacted etc., That section 3 of the act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950 (64 Stat. 1109), as amended, is amended by striking out clause (c) and inserting in lieu thereof the following:

"(c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of the act including the restoration of public facilities damaged or destroyed in such major disaster and essen-

tial rehabilitation of individuals in need as the result of such major disaster;"

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government."

BILLS PASSED TO NEXT CALL OF THE CALENDAR

The bill (S. 1400) to permit the Secretary of Agriculture to release the reversionary rights of land located in Wake County, N. C., was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. SMATHERS. Mr. President, I ask that the bill go over to the next call of the calendar. The author of the bill was the late junior Senator from North Carolina, Mr. Smith. We shall have to get the senior Senator from North Carolina [Mr. HOEX] to explain the bill. So, for the time being, I ask that the bill go over, to be called at the next call of the calendar.

The VICE PRESIDENT. The bill will be passed over to the next call of the calendar.

The bill (S. 2163) to authorize conveyance to the State of North Carolina of certain lands and improvements constituting the United States cotton field station located near Statesville, N. C., was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation, please?

Mr. SMATHERS. Mr. President, I make the same request; namely, that this bill also go to the next call of the calendar, with the understanding that the bill will be called at that time.

The VICE PRESIDENT. The bill will go over to the next call of the calendar.

INCREASE IN SALARIES OF EMPLOYEES OF BOARD OF EDUCATION, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2118) to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause and insert:

That (a) the salary rates for all salary classes in title I of the District of Columbia Teachers' Salary Act of 1947, as amended, except class 29, are hereby increased as follows: 10 percent of the first \$3,000 of each such salary rate; 8 percent of so much of each such rate as is in excess of \$3,000 up to and including \$5,000, and 6 percent of so much of each such rate as exceeds \$5,000.

(b) This section shall take effect on July 1, 1953.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the time time, and passed.

TRANSACTION OF PUBLIC BUSINESS IN THE EVENT OF DEATH, ETC., OF A DISBURSING OFFICER OF THE MILITARY DEPARTMENTS

The bill (S. 2078) to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military departments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the case of the death, incapacity, or separation from office of a disbursing officer of any of the military departments the accounts of such disbursing officer may be continued and payments made in his name by his deputy disbursing officer for a period of time not to extend beyond the last day of the second month following the month in which such death, incapacity, or separation shall occur. Such accounts and payments shall be allowed, audited, and settled in the manner prescribed by law; and the checks signed in the name of the former disbursing officer shall be honored by the Treasurer of the United States, in the same manner as if the former disbursing officer had continued in office. The former disbursing officer, his estate, or the surety on his official bond, shall not be subject to any legal liability or penalty for the official acts and defaults of the deputy disbursing officer acting in the name or in the place of the former disbursing officer under this act, but the deputy disbursing officer and his surety shall be responsible therefor under his bond. The bond of the deputy disbursing officer shall be an amount at least equal to the minimum amount of the bond required of the disbursing officer. The Secretary of the military department concerned may, from time to time, require the deputy disbursing officer to renew and increase his bond to the United States.

AUTHORIZING CASH RELIEF FOR CERTAIN EMPLOYEES OF THE CANAL ZONE—BILL PASSED TO NEXT CALL OF CALENDAR

The bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief to certain employees of the Canal Zone government, which had been reported from the Committee on Armed Services with an amendment, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, may we have an explanation?

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COOPER subsequently said: Mr. President, I ask unanimous consent to return to Calendar 494, Senate bill 2038. The Senator from Delaware requested information about the bill. The Senator from Delaware not being now on the floor, I should like to file a statement explaining the bill, and I ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER ON S. 2038

The sole purpose of S. 2038 is to permit a modest increase in the cash relief pay-

ments now being made to certain employees of the Canal Zone Government.

Under the so-called Cash Relief Act of July 8, 1937, the Canal Zone Government was authorized to pay to certain employees who were disabled because of age or disease cash relief at the rate of \$1 per month for each year's service, with a maximum of \$25 per month. S. 2038 would increase this rate to \$1.50 per month for each year's service, with a maximum of \$45 per month.

The increase in the cost of living since 1937 makes the payments under the 1937 act inadequate. The larger payments will in some measure meet the increased costs of living.

In order to be eligible for relief, employees must have had a total of 10 years' service and be found by a disability relief board to be totally disabled by either age or disease. The 1937 Relief Act does not apply to United States citizens employed by the Canal Zone Government. It applies only to aliens, most of whom are Panamanian citizens.

There are 12,762 employees who would probably be affected by the cash relief system. Of this total, 1,406 are employed by the Canal Zone Government and 11,356 by the Panama Canal Company. The employees of the Panama Canal Company are not expressly covered by either the 1937 act or S. 2038. The system established by the 1937 act has been extended, however, by the Panama Canal Company to its own employees, and the increases provided for in S. 2038 would likewise be extended.

BUDGET DATA

S. 2038 will not result in any expense to the United States Treasury. The costs payable by the Canal Zone Government, while initially financed out of the appropriations, would be repaid annually to the Treasury out of the operating revenues of the Canal Zone Government and the Panama Canal Company. Under the 1937 act, relief costs have been financed in this manner.

Mr. COOPER. Mr. President, I ask unanimous consent that on the next call of the calendar the bill S. 2038, calendar order 494, be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSTRUCTION AND OTHER AUTHORITY FOR THE MILITARY DEPARTMENTS IN TIME OF WAR OR NATIONAL EMERGENCY

The Senate proceeded to consider the bill (S. 1995) to provide certain construction and other authority for the military departments in time of war or national emergency which had been reported from the Committee on Armed Services with amendments, on page 1, line 6, after the word "thereafter", to insert "or until July 1, 1954, or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest"; on page 2, line 8, after the word "maintenance", to insert "storage"; in line 9, after the word "thereof", to insert "and of those established pursuant to the provision of the act of July 2, 1940 (54 Stat. 712), as amended (50 U. S. C. App. 773, 1171 (a)), and the act of December 17, 1942 (56 Stat. 1053), as amended (50 U. S. C. App. 1201)," in line 15, after the word "Government" to insert "Provided, That as soon as practicable prior to the submission of a budgetary request to the Congress for the purchase of equipment or machine tools pursuant to this section, the Secretary of

Defense shall inform the Committees on Armed Services of the Senate and of the House of Representatives in detail with respect to the proposed program therefor." On page 3, after line 2, to insert:

SEC. 2. The Secretary of Defense shall report semiannually to the Committees on Armed Services of the Senate and of the House of Representatives with respect to those activities authorized in section 1 which are not otherwise the subject of reporting under law.

And in line 8, to change the section number from "2" to "3", so as to make the bill read:

Be it enacted, etc., That the Secretaries of the Army, Navy, and Air Force are respectively authorized, during the national emergency proclaimed by the President on December 16, 1950, and for 6 months thereafter, or until July 1, 1954, or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest, to provide for the acquisition, construction, establishment, expansion, rehabilitation, conversion, and installation, on land or at plants privately or publicly owned, of such industrial-type plants, buildings, facilities, equipment, machine tools, utilities, and appurtenances or interests therein, including the necessary land therefor by purchase, donation, lease, condemnation, or otherwise (without regard to sections 1136, 3648, and 3734 of the Revised Statutes, as amended, and prior to approval of title to the underlying land by the Attorney General), as may be necessary for defense production or mobilization reserve purposes, and to provide for the maintenance, storage and operation thereof and of those established pursuant to the provision of the act of July 2, 1940 (54 Stat. 712), as amended (50 U. S. C. App. 773, 1171 (a)), and the act of December 17, 1942 (56 Stat. 1053), as amended (50 U. S. C. App. 1201), either by means of Government personnel or qualified commercial manufacturers under contract with the Government: *Provided,* That as soon as practicable prior to the submission of a budgetary request to the Congress for the purchase of equipment or machine tools pursuant to this section, the Secretary of Defense shall inform the Committees on Armed Services of the Senate and of the House of Representatives in detail with respect to the proposed program therefor. When the Secretary concerned deems it necessary in the interest of the national defense, he may lease any such plants, buildings, facilities, equipment, utilities, appurtenances, and land, under any terms as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

SEC. 2. The Secretary of Defense shall report semiannually to the Committees on Armed Services of the Senate and of the House of Representatives with respect to those activities authorized in section 1 which are not otherwise the subject of reporting under law.

SEC. 3. Nothing in this act shall be construed to repeal or modify section 601 of the act of September 28, 1951 (65 Stat. 336), relative to coming into agreement with the Committees on Armed Services of the Senate and of the House of Representatives with respect to real-estate actions.

Mr. CASE. Mr. President, I ask unanimous consent that a statement regarding this bill be printed in the Record prior to the action on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CASE ON S. 1995

The purpose of S. 1995 is to extend authority for the stockpiling of machine tools and equipment and for the expansion of produc-

tive capacity in the event that international conditions should become more critical than they are at present.

The normal procedure is for the military departments to request specific authorization for those installations and facilities proposed to be constructed. In time of war or international stress, however, it is not practicable to predict accurately beforehand the productive facilities that will be required, particularly with reference to those affected by technological change and scientific development.

The military departments, since 1941, have had authority to expand Government-owned and privately owned plants without a specific authorization therefor, but this authority will expire on July 31, S. 1995, as introduced, would have continued the authority during the national emergency proclaimed by the President on December 16, 1950, and for 6 months thereafter. Recognizing that the authority granted is necessarily broad, the Committee on Armed Services amended the bill to provide for termination of the authority granted on July 1, 1954, or on such earlier date as may be specified by a concurrent resolution of the Congress.

In addition, committee amendments require the submission to the Armed Services Committees of the Congress of detailed reports with respect to the proposed program for the purchase of equipment or machine tools prior to the submission of a budgetary request therefor to the Appropriations Committees of the Congress.

Another committee amendment requires semiannual reports to the Armed Services Committees concerning the construction and expansion of plants not involving acquisition of real estate costing more than \$25,000. Real-estate activities by the military departments involving more than \$25,000 are already the subject of reporting under title VI of Public Law 155, 82d Congress.

The enactment of the bill, as amended by the committee, would result in the Congress being informed beforehand of the purchase of machine tools and equipment, and "after the fact" of the expansion of Government-owned and privately owned plants not involving the acquisition of real estate. While it would obviously be more desirable to be informed beforehand of all transactions contemplated under the authority granted by this bill, such action seems impracticable in view of the fact that the bill is made necessary because it is impossible to accurately predict in detail those acquisitions contemplated under the authority of this legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOAN OF CERTAIN NAVAL VESSELS— BILL PASSED TO NEXT CALL OF CALENDAR

The bill (S. 2277) to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HENDRICKSON subsequently said: Mr. President, I ask unanimous consent that we may return to Calendar 496, Senate bill 2277, a bill to authorize the loan of 2 submarines to the Government of Italy and a small aircraft carrier to the Government of France.

ing at least adequate remuneration to the men who carry the heavy and full-time responsibility of membership in the National Legislature.

Why, then, didn't the House see it this way and approve the proposal for an out-and-out salary increase? The answer seems to be that congressional leaders thought this was not the appropriate time in view of the administration's economy drive. But only last month the President himself emphatically supported the suggested pay rise. We regret that Members of Congress seem to be so coy about this matter. We think that they are mistaken if they believe the public would rather see them invent a new way of avoiding taxes than vote a straightforward increase in their level of pay.

RESOLUTION PASSED OVER

The resolution (S. Res. 20) amending the cloture rule with respect to the number required for adoption of a cloture motion was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the resolution be passed over.

The PRESIDING OFFICER. The resolution will be passed over.

CONDEMNATION OF LANDS AFFECTING WATER RIGHTS

The bill (S. 1857) to amend certain statutes providing expeditious judicial proceedings for the condemnation of lands for public purposes was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill be passed over.

Mr. McCARRAN. Mr. President, will the Senator from New Jersey withhold his objection for a moment?

Mr. HENDRICKSON. I gladly withhold my objection.

Mr. McCARRAN. Mr. President, I have discussed this bill on several occasions when it has come up on calendar calls. This is a bill which has just one purpose: to protect the water rights now held under State law.

In the arid and semiarid States of the West, water is life. In these States, as many Senators know, the doctrine of prior appropriation prevails with respect to water rights. In the East, a different doctrine, the doctrine of riparian rights, is controlling.

The purpose of this bill is to insure that no taking of land under the Federal power of eminent domain for dam or reservoir purposes shall operate to divest the holders of water rights.

This bill would not prevent the Government from condemning any water rights which it needed; it simply protects the owners of water rights against having those rights taken away from them as a result of a condemnation proceeding to which they are not parties.

Similar legislation has already been put on the statute books with respect to lands or waters condemned for purposes of navigation; and justice requires that a similar provision be enacted with respect to condemnations for dam or reservoir purposes.

I want to say one more word: This bill as introduced contained certain unfortunate expressions which led to substan-

tial misconstruction of its purpose and effect. Amendments approved in the Committee on the Judiciary have entirely cleared up this matter, and the bill as it comes before the Senate is a clean bill, which would not have any effect outside its intended purpose.

Mr. HENDRICKSON. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1461) to amend the Interstate Commerce Act, as amended, concerning requests of common carriers for increased transportation rates, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 690) to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into lease purchase agreements to provide for the lease to the United States of real property and structures for terms of more than 8 years, but not in excess of 25 years and for acquisition of title to such property and structures by the United States at or before the expiration of the lease terms, and for other purposes, was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4484) to amend sec. 365 of the act entitled "An act to establish a code of laws for the District of Columbia," approved March 3, 1901, as amended, to increase the maximum sum allowable by the court out of assets of a decedent's estate for funeral expenses was announced as next in order.

Mr. LANGER. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1691) to authorize Potomac Electric Power Co. to construct, maintain, and operate in the District of Columbia, and to cross Kenilworth Avenue NE., in said District, with certain railroad tracks and related facilities, and for other purposes was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes was announced as next in order.

Mr. DOUGLAS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States relative to the making of treaties and executive agreements was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

BILL PASSED TO FOOT OF CALENDAR

The bill (S. 144) for the relief of the Cavalier County Fair Association, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. LANGER. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

FRANCISZEK JARECKI, BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 5238) for the relief of Franciszek Jarecki was announced as next in order.

Mr. GORE. Mr. President, a Senate bill for the identical purpose has already passed the Senate. It may be proper to require the rescinding of the action by which the Senate bill was passed.

Mr. McCARRAN. Mr. President, that is correct.

Mr. COOPER. Mr. President, will the Senator withhold his objection, and permit the bill to go to the foot of the calendar?

Mr. GORE. Yes.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

BILLS PASSED OVER

The bill (S. 2150) providing for the creation of the St. Lawrence Seaway Development Corporation, and for other purposes, was announced as next in order.

Mr. COOPER. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1806) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine was announced as next in order.

Mr. CASE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 848) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 5349) authorizing the United States Government to reconvey certain lands to W. C. Pallmeyer and E. M. Cole was announced as next in order.

Mr. HENDRICKSON. Over, by request, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2175) to amend title VI of the Legislative Reorganization Act of 1946, as amended, with respect to the retirement of employees in the legislative branch, was announced as next in order.

Mr. COOPER. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CONSOLIDATION OF FEDERAL HOLDINGS IN PRINCE WILLIAM FOREST PARK, VIRGINIA

The bill (H. R. 3380) to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over. I do so at the request of the Senator from Oregon [Mr. MORSE].

Mr. BUTLER of Nebraska. I did not catch the Senator's statement.

Mr. HENDRICKSON. I said that I asked that the bill go over at the request of the Senator from Oregon [Mr. MORSE].

Mr. BUTLER of Nebraska. I understand the Senator from Oregon objected when the bill was called the first time because he had not read the bill. I hope he has read it by this time. I think a statement I should like to make would clear the matter up.

Mr. HENDRICKSON. He made the request of the calendar committee.

Mr. BYRD. Mr. President, I ask that the bill go to the foot of the calendar.

Mr. HENDRICKSON. I would agree to that, Mr. President.

The PRESIDING OFFICER. Without objection, the bill will be passed to the foot of the calendar.

Mr. HENDRICKSON subsequently said: Mr. President, I ask unanimous consent that the Senate return to Calendar No. 470, House bill 3380, to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3380) to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. BUTLER of Nebraska. Mr. President, this bill authorizes the Park Service to exchange certain lands of the Prince William Forest Park in Virginia for privately owned lands within the boundaries of the park so as to permit consolidation of the Federal holding. About 800 acres of Federal lands are to be exchanged for 1,500 acres of private lands.

The bill also authorizes relocation of existing easements for utility rights-of-way in a manner which will suit the convenience of both the Park Service and the utility company.

No expenditure of Federal funds is involved.

Favorable reports on the bill have been submitted by both the Bureau of the Budget and the Department of the Interior.

Mr. HENDRICKSON. May I ask the distinguished Senator from Nebraska

whether the Morse formula applies to the bill?

Mr. BUTLER of Nebraska. I cannot see how the Morse formula would apply in the least. The bill authorizes the Park Service to exchange 800 acres within the park for 1,500 acres of privately owned land within the park. The bill is to the advantage of the Park Service.

Mr. HENDRICKSON. I thank the distinguished Senator. I have no objection.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN LANDS TO THE STATE OF ARKANSAS

The bill (H. R. 163) to provide for the conveyance of certain lands in Monroe County, Ark., to the State of Arkansas, was announced as next in order.

Mr. HENDRICKSON. Over, by request, Mr. President.

Mr. BUTLER of Nebraska. Mr. President, will the Senator agree to let the bill go to the foot of the calendar?

Mr. HENDRICKSON. I agree to that, Mr. President.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

Mr. HENDRICKSON subsequently said: Mr. President, I move that the Senate proceed to the consideration of Calendar 471, H. R. 163.

The motion was agreed to, and the Senate proceeded to the consideration of the bill (H. R. 163) to provide for the conveyance of certain lands in Monroe County, Ark., to the State of Arkansas.

Mr. HENDRICKSON. May we have an explanation of the bill?

Mr. BUTLER of Nebraska. This bill provides for the conveyance to the State of Arkansas of 28 small parcels of land having clouded titles and which are of no use to the United States. The land in question, together with considerable areas of other land, was given without consideration by the State of Arkansas to the United States in order to create the White River National Wildlife Refuge. These 28 small parcels are of no use to the United States for that purpose. They aggregate about 7 acres in area.

No expenditure of Federal funds is involved.

The bill has been favorably reported upon by the Bureau of the Budget and the Department of Interior.

For the benefit of Senators who are watching the calendar call, I may say that I can see no conflict between the proposal of the bill and the Morse formula.

Mr. HENDRICKSON. I concede that the Senator is correct. I see no application of the Morse formula to the bill.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 163) was ordered to a third reading, read the third time, and passed.

LOANS TO FUR FARMERS—BILL PASSED TO FOOT OF CALENDAR

The bill (S. 1152) to extend for a period of 5 years the authority of the Secretary of Agriculture to make loans to fur farmers was announced as next in order.

Mr. LANGER. Over.

Mr. JOHNSON of Colorado. Mr. President, will the Senator withhold his objection?

Mr. LANGER. Yes.

Mr. JOHNSON of Colorado. Mr. President, I understood that the Senator from Delaware [Mr. WILLIAMS] was making a study of the bill. That statement was made at the last call of the calendar. Are there some questions that seem doubtful in his mind?

Mr. WILLIAMS. Mr. President, at the last call of the calendar I requested, through the committee, certain information from the Department of Agriculture. That information has come to the committee, but it was delivered to the office yesterday and I have not yet had time to review it.

Mr. JOHNSON of Colorado. I hope the Senator will expedite his study as much as may be possible, because it is a very important bill to people who are in great distress, and I am sure the record which has been made as to the provisions of the bill will stand a great deal of scrutiny. We want that scrutiny, of course, but I hope it will be expedited so that we can pass the bill if there are no objections.

Mr. WILLIAMS. As soon as possible, I shall look over the information. However, I feel it is information which should have been presented at the time the bill was reported.

The PRESIDING OFFICER. Objection has been made, and the bill will be passed over.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that Calendar 485, S. 1152, may go to the foot of the calendar. The junior Senator from Colorado [Mr. MILLIKIN], the author of the bill, is not present. He would like to have that action taken.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

BILLS PASSED OVER

The bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act was announced as next in order.

Mr. GORE. Mr. President this is another of the series of bills raising the interest rates on loans to farmers. I should like to have an explanation by the author of the bill.

Mr. LANGER. I ask that the bill go to the foot of the calendar.

Mr. COOPER. At the request of the junior Senator from Oregon [Mr. MORSE], I ask that the bill go over.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

The bill (S. 2314) to prohibit transmission of certain gambling information in interstate commerce by communica-

14. SUPPLEMENTAL APPROPRIATION BILL, 1954. Received the conference report on this bill, H. R. 6200 (pp. 11005-7). The conferees fixed the corn acreage allotment item at \$5,000,000 and reported in disagreement the provision continuing drought-relief funds of Public Law 371, 82nd Cong.
 15. WEATHER CONTROL. Passed as reported S. 285, to establish an Advisory Committee on Weather Control to study and evaluate public and private experiments in weather control for the purpose of determining the extent to which the U. S. should experiment with, engage in, or regulate weather control (pp. 10930-2).
 16. RECLAMATION. Passed with amendments H. R. 5731, to authorize the Santa Margarita River project, Calif. (pp. 10940-1).
 17. GRAZING LANDS. Rep. D'Ewart spoke in support of the stockmen's grazing bill and said Rep. Hope was introducing a modified bill on this subject which has the support of various interested parties (p. 10930).
 17. RECLAMATION. Rep. D'Ewart recommended the establishment of various additional reclamation projects (p. 10930).
- SENATE - July 31
18. FOREIGN AID; REORGANIZATION. Sen. Mansfield criticized the President's reorganization plan establishing a Foreign Operations Administration (pp. 10899-901).
 19. DEBT LIMIT. Discussed the President's request for an increase in the debt limit (pp. 10903-8).
- SENATE - August 1
20. FCA REORGANIZATION. Agreed to the conference report on H. R. 4353, to reorganize the Farm Credit Administration, etc. (p. 11040). This bill will now be sent to the President.
 21. FAMINE RELIEF. Agreed to the conference report on S. 2249, the famine-relief bill (p. 11044). This bill will now be sent to the President.
 22. SAFETY. Agreed to the conference report on S. 1105, to incorporate the National Safety Council (p. 11049). This bill will now be sent to the President.
 23. IMMIGRATION. Agreed to the conference report on H. R. 6481, to authorize immigration of 214,000 refugees, etc. (pp. 11073-7). This bill will now be sent to the President.
 24. CROP INSURANCE. Concurred in the House amendments to S. 1367, to continue the authority for expansion of the crop insurance program to additional counties (p. 11044). This bill will now be sent to the President.
 25. RECLAMATION. Concurred in the House amendments to S. 2097, to increase the amount authorized for the Eklutna, Alaska, project (pp. 11048-9). This bill will now be sent to the President.
 26. WEATHER CONTROL. Concurred in the House amendments to S. 285, to authorize a study of weather-control activities, etc. (p. 11048). This bill will now be sent to the President.
 27. RECLAMATION. Concurred in the House amendments to S. 887, to permit the exchange and amendment of farm units on Federal irrigation projects (pp. 11049, 11083-4). This bill will now be sent to the President.

28. FARM LABOR. Agreed to the conference report on H. R. 3480, to continue the Mexican farm-labor program for two years (p. 11090).
29. FARM LOANS. Passed as reported S. 1276, to increase the interest rate on farm-tenant loans (pp. 11097, 11104-5).
30. NOMINATION OF Harold E. Stassen, to be Director of Foreign Operations Administration, was confirmed (p. 11136).
31. DEBT LIMIT. The Finance Committee voted to defer further action until the next session of Congress on H. R. 6672, to increase the statutory debt limit (p. D830).
32. SURPLUS PROPERTY. Passed without amendment H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (p. 11054). This bill will now be sent to the President.
33. PENALTY MAIL. Passed without amendment H. R. 6281, to require executive departments, etc., to reimburse the Post Office Department for penalty mail (pp. 11078-9). This bill will now be sent to the President.
34. FOREST LOANS. Passed without amendment H. R. 5603, to authorize national banking associations to make loans on forest tracts (pp. 11070-2). This bill will now be sent to the President.
35. EDUCATION. Passed with amendments H. R. 6078 and 6079, to assist school districts in federally affected areas, and Senate conferees were appointed (pp. 11054-66).
36. SOCIAL SECURITY. Both Houses received the President's message recommending inclusion of additional groups, including farmers, in the Social Security Act (H. Doc. 225); to Senate Finance Committee and House Ways and Means Committee (pp. 11213, 11134).
37. STATE, JUSTICE, CONFERENCE APPROPRIATION BILL, 1954. Sen. McCarthy was appointed as an additional conferee on this bill, H. R. 4974 (p. 11035).
38. SUPPLEMENTAL APPROPRIATION BILL, 1954. Rejected the conference report on this bill, H. R. 6200. Senate conferees were appointed for a further conference. (pp. 11097-104).
39. FARM PROGRAM. Sen. Aiken inserted a letter from Secretary Benson reviewing the studies now under way and stating, "The objective of our study is to have ready for Congress, when it reconvenes, judgments and recommendations that will be helpful in improving farm legislation." (pp. 11036-7).
40. STORAGE FACILITIES. Sen. Murray asked additional USDA action to make available more wheat-storage facilities (pp. 11037-40).
41. TRANSPORTATION. Sen. Griswold inserted a Farm Bureau letter favoring H. R. 3203, the trip-leasing bill (pp. 11049-50).
42. FORESTRY. Passed without amendment H. R. 3956, to provide for conveyance of a tract in the Santa Fe National Forest, N. Mex. (p. 11052). This bill will now be sent to the President.
43. TREATY POWERS. Sen. Bricker spoke in support of his resolution to limit treaty powers and criticized the Knowland substitute (pp. 11090-7).

ing the treaty. If the Senate falls to so provide, that safeguard is lost.

BRICKER PEOPLE ARE APPREHENSIVE

But supporters of the Bricker version see an even greater danger in this section 3. They believe that it may be a legal extension of the philosophy of *Missouri v. Holland*, and so there is some belief that the Knowland draft could have exactly the opposite effect the Bricker supporters want. For what it would do would be to write into the Constitution a power for the Congress to make any treaty internal law simply by writing appropriate legislation.

If the High Court, in the first test case, holds that the legislation must be appropriate to the treaty but not necessarily appropriate to the Constitution because the treaty power is unlimited anyway, the Bricker supporters say the fat would really be in the fire.

The *Missouri v. Holland* doctrine—that the Congress can do through a treaty things that the Constitution says the Congress cannot do—would thus be imbedded in the basic law.

Those who prefer Senator BRICKER's draft to that of Senator KNOWLAND say that this is really the meat of the nut. They say that the Bricker amendment clearly closes the door to the dangers that treaty law can override the Constitution, and they say that the Knowland draft opens that door even wider.

[From the Wall Street Journal of July 28, 1953]

THE TREATY AMENDMENTS

A comparison of the Bricker amendment and the substitute offered by Senator KNOWLAND on behalf of the administration is printed elsewhere today on this page.

President Eisenhower has come a long way since his earlier opposition to the proposal to amend the Constitution to prevent an abuse of the treaty power. He has said that he is in sympathy with those who want to safeguard the Constitution, and he has announced his support of the Knowland substitute.

The Knowland amendment has some good features. But as Mr. Fitzpatrick's discussion of the two proposals shows, it also has some bad features.

For instance, the administration amendment does not say that laws enacted in making a treaty the domestic law of the country must follow the restraints placed on the Congress as in the Bill of Rights. It is well to remember that there are no constitution limitations on the treaty power, and a comparison between the Bricker and Knowland drafts shows that Mr. BRICKER's places plain constitutional limits on legislation following a treaty while Mr. KNOWLAND's does not.

We hope these differences can be composed by Senator KNOWLAND. As the two amendments stand, in our view the BRICKER proposal is the better by far. It does what most of the opposition to the Bricker it sets out to do, and that is to prevent an abuse of the treaty power.

The amendment is aimed at that section which says that the Congress can't do through a treaty what it can't do without a treaty. It is likely that should Mr. BRICKER accept Mr. KNOWLAND's strange twist to his amendment he would find that many of those who were once opposed to it would be for it.

It is plain what many of those who oppose Mr. BRICKER really have in mind. The American Civil Liberties Union stated the case very well when it said:

"The cause of this revolutionary proposal in the Senate * * * lies in fears aroused by human-rights treaties, the area of primary concern to the American Civil Liberties Union.

"All these treaties are matters of domestic concern and of 'States rights.' The proposed amendment would prevent any effective steps in those fields to support international standards. * * * Hardly a treaty in these days of broadening international action does not in some way affect matters of domestic concern or States rights."

We doubt if Mr. BRICKER or anyone else could make a better argument for his amendment to guarantee the right of Americans to govern themselves.

AMENDMENT OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 708, H. R. 5740.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5740) to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. McCARRAN. Mr. President, the bill was reached on the call of the calendar and it was objected to for good and sufficient reason. Nothing has come to the attention of the Senator from Nevada which would remove the objection he entered at that time.

Mr. President, I shall continue to interpose an objection to its consideration. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Nevada suggests the absence of a quorum.

Mr. KNOWLAND. Mr. President, will the Senator from Nevada withhold the suggestion until I have an opportunity to confer further with respect to the bill?

Mr. McCARRAN. Very well.

INCREASE IN INTEREST RATE ON LOANS UNDER THE BANKHEAD-JONES FARM TENANT ACT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 488, Senate bill 1276.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. KNOWLAND. Mr. President, I shall not ask that the Senate debate the bill at this time, because the Senator from North Dakota [Mr. Young], who is to handle the bill, is not in the Chamber.

SUPPLEMENTAL APPROPRIATIONS—CONFERENCE REPORT

Mr. FERGUSON. I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6200) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the legislative clerk.

(For conference report, see House proceedings of July 31, 1953, p. 11005, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. AIKEN. Mr. President, I should like to ask the distinguished Senator from Michigan what has been done with regard to funds which will be necessary to carry out the school payments for federally impacted areas, authorized by a bill on which the House and Senate conferees expect to meet shortly.

Mr. FERGUSON. The explanation is that amendment No. 28 which provided for \$200,000 to administer the act, and amendment No. 29 which provided for about \$84,500,000, plus some other funds, were stricken from the bill. In other words, the Senate receded after a long debate on the subject, for the reason that an examination of the bill in the Senate showed that it was on the calendar and that all after the enacting clause had been stricken out of the House bill and a new bill inserted, and we could not see exactly at the hour we were holding the conference that it would be passed. I have conferred with the distinguished Senator from Vermont this morning as to the prospects of that bill becoming a law.

If the supplemental appropriation bill will go back to conference—which I shall advocate in a moment—of course that provision could be inserted, provided we can convince the House that it should become law.

Mr. AIKEN. I may say that I am momentarily expecting word from the House that the conferees have been appointed, and we hope to have a conference meeting at 4 o'clock. I believe that legislation will result from the conference, in which case we would have to have some money with which to operate the program.

Mr. FERGUSON. Yes. If the Senator could hold a conference at 4 o'clock, and if the supplemental appropriation bill goes back to conference and there is another conference held between the House and the Senate on the appropriation bill at quarter to 4, it may be that we could learn the results of the conference on the Senator's bill, and then something could be done about the matter in the further conference on the supplemental appropriations bill.

Mr. AIKEN. Does the Senator from Michigan feel that if he could learn the results of the conference on the school bills by 5 o'clock or a quarter after 5 o'clock, it would give him time to settle the supplemental appropriation bill?

Mr. FERGUSON. If the Senator from Vermont could give the results of the conference by 5 o'clock, the conferees on the appropriation bill would then be able to consider the question. I am personally sympathetic with the idea, because the bill was before the Senate, and the item was stricken out in conference.

Mr. AIKEN. I heard from the chairman of the House conference committee about an hour and a quarter ago, and he said as soon as the bill reached him, he would ask to have conferees appointed, and they would meet with us as soon as possible.

Mr. FERGUSON. I appreciate the information. I hope the Senator from Vermont will advise us accordingly.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. FERGUSON. I shall move that the Senate reject the report of the conferees on the supplemental appropriation bill, H. R. 6200, and I shall do so for several reasons. The managers on the part of the Senate and the House worked on the bill for almost 8 hours yesterday afternoon and evening, but were unable to sustain the Senate position on several important amendments. Subsequent events have reinforced the position of the Senate managers. One of the Senate amendments on which the House refused to recede was amendment No. 16, which provides the much-needed authority for a thorough cleaning up of the Voice of America—

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. HICKENLOOPER. Referring only to the Voice of America, or the Information program?

Mr. FERGUSON. The Information program. As I said, one of the Senate amendments on which the House refused to recede was amendment No. 16, which provides the much-needed authority for a thorough cleanup of the Voice of America and the International Information Agency. That Agency, by the way, is transferred to a new agency, beginning today. The amendment No. 16 would give the Administrator the right to refuse to employ in the new agency created today any employees of the old IIA whom he considers to be undesirable, if such employee holds a civil service rating above GS-7.

The Senate amendment contains several safeguards which I wish to call to the attention of the Senate. First, it is effective only until January 1, 1954. It provides for one good and sorely needed cleanup, but will thereafter provide the security and stability of employment which exists throughout the Government.

If the Information Agency cannot have a good name in America, certainly it will not and cannot do a good job in

foreign lands, where we want it to do the job.

The authority to make new appointments is limited to positions above GS-7. In other words, the working, clerical, and stenographic level of workers will not be affected.

In any case, an employee who was not retained by the new agency would, if in the classified service, still have civil-service job rights in other agencies of the Government in accordance with the regular procedure for employees in such circumstances.

I want to say that we appreciate the fact that Senators on the other side of the aisle are willing that the amendment go into the supplemental appropriation bill.

Mr. HICKENLOOPER. Mr. President, will the Senator from Michigan yield, to permit me to make a comment on this particular amendment?

Mr. FERGUSON. I yield.

Mr. HICKENLOOPER. Let me say that I am also concerned with 1 or 2 other amendments.

I wish to call the attention of the Senator from Michigan, the other conferees, and the entire Senate to the fact that, under a resolution, the Senate appointed a special committee to study this program, and the committee studied it for a year. The committee was completely nonpartisan—as completely nonpartisan as a committee could be made, as it consisted of 8 members, 4 Democrats and 4 Republicans. For the first half of its life, the chairman of the committee was the able Senator from Arkansas [Mr. FULBRIGHT]. A Republican Senator was chairman of the committee for the second half of its life.

The committee made a unanimous report, and high on the priority list of "must" corrections in connection with the information program was one to give the Administrator the right to hire and fire. The employees of this particular branch of operations must be able and capable, if the United States Information Agency is to justify the expenditure of the millions of dollars which it will spend. It is utterly vital to this program that able persons be employed.

Unfortunately, today in the positions higher than GS-7, which are the positions where judgment must be used and where competence is to be expected—the program is filled—not entirely; there are able persons in it—to too great an extent by those who are thoroughly incompetent. We cannot expect to have a good job done abroad by persons who personally and professionally are misfits. I cannot overemphasize the importance of this matter to the Senate and to the American people who pay the bill.

This program is such that one of its primary requirements is good administration. If an administrator cannot place in the agency able persons, in order to have an able administration of the agency, then, in my judgment, we might just as well not spend the money that is proposed for expenditure for this agency.

The other day the Senate provided, as a protection, that the right of the ad-

ministrator to hire or fire would apply only to grade GS-7 or above, and then only for a period of about 1 year.

Mr. FERGUSON. It is to be up to January 1.

Mr. HICKENLOOPER. Yes, to January 1—in order to give the administrator a chance to organize the agency with persons who are capable professionally.

I cannot overemphasize the importance of that provision. I hope the managers on the part of the Senate will make the managers on the part of the House understand the importance of this matter, and I emphasize that the special committee composed of 4 Republicans and 4 Democrats was unanimous in its recommendation that this is essential to the proper operation of our overseas information program.

The operation of the provision is to be limited in time. But the administrator must have this power if we are to expect reasonably efficient results from the program.

Mr. FERGUSON. Mr. President, the question may be asked. Why do the Senate conferees ask that the conference report be rejected? Let me explain by saying that there were further developments regarding this matter, in connection with the hearings held this morning in the Foreign Relations Committee, where consideration was given to the nomination of Mr. Streibert to be the new head of the agency. I asked him about the new language and the fact that the bill reduces the personnel to 7,500, and provides that in certain departments the personnel must be cut one-third—in other words, that the ones to remain will not exceed two-thirds. I asked him whether he would be able to do the job—which we wish to have done—of cleaning out those who are incompetent or unfit. He was frank in stating that he did not think he could, although he would naturally try to do the best he could, but that he would be handicapped by the civil service rules and regulations, which permit an employee who is let out of one group or subdivision to "bump" any number of employees of lower seniority. He pointed out that, in fact, the employees who should be gotten rid of were those who went into the agency—we may as well state who they were—from the old OWI, back in the days of that war agency. They would be the ones who, in effect, would hold the jobs, and all others would be pushed out, by virtue of the civil service "bumping" arrangement.

So now we find ourselves in a position where the new head of the agency is frank to tell us that he cannot do the job that is expected of him, because of the way the amendment is worded at the present time. He admits that if he had that right until January 1—he is a competent man, with great fitness for the job—he could do the job well.

So I return to the proposition that unless we have a good Voice of America, we shall be wasting any money we spend on a bad Voice.

They have not placed them—sums in local currencies to be drawn down by the United States as the requirements of the program demand.

They do not agree to put them at their disposal for any purpose, but for the purposes of this program, as the requirements demand.

The many factors and circumstances that induced any one country to agree to make local currencies available for a Fulbright program are, of course, varied—and constitute may be expected, therefore, that these particular considerations for the agreement. It may be expected, therefore, that these particular countries will look to the United States to carry out its commitments.

Certainly their participation on an equal basis is one of the most important considerations. The commissions go over the programs and determine how large they will recommend them to be—how many persons there shall be in each classification, and so forth. They may go into each and every detail. If they are deprived of that function, they lose interest, and one of the main considerations for making such an agreement will have disappeared.

Such attempts to modify these agreements—or such modifications, if the Rabaut amendment remains in, without the qualification agreed to by the Senate—would place the United States in the position of seeming to withdraw from commitments undertaken with the authority and consent of the Congress—in fact, with the specific authorization of Public Law 584. They would undoubtedly create an adverse reaction in the other participating countries and could weaken the cooperation of the other governments involved—cooperation which was prompted in the first place by the long-term, binational participation which was one of the original inducements for their concluding such agreements with this Government, and which is one of the basic reasons for the effectiveness of these exchanges to date.

In view of these considerations, it is clear that we would undoubtedly be faced with adverse reactions in the other participating countries. The original legislation, Public Law 584, authorized the Secretary of State to enter into agreements with other governments for the purpose of providing for these exchanges “by the formation of foundations or otherwise.” Pursuant to such authorization, binational foundations or commissions were set up in each of the participating foreign countries. The prominent and influential status of the members of these commissions lends prestige to the program and make it not only acceptable but popular in the respective countries. They also provide excellent channels of personal contact and enlist widespread cooperation among foreign nationals. One need not further stress the value of this approach in countries whose people are curious about our people, our policies and our motives but resistant to “propaganda” and where our objective is to overcome neutralism and strengthen the ties that bind free nations. The Rabaut amendment, by fixing an annual rate of expenditure which could vary substantial-

ly from year to year, would radically change the basic pattern and concept of these exchanges and at a time when the United States especially needs to cultivate and to increase the number of its friends even in “friendly” countries.

In fact, in some countries where anti-American elements could seize upon these ex post facto modifications as an excuse to campaign against the program, this reaction might lead to actual abrogation of the agreements. The extension of these agreements would be similarly affected. So would the negotiation of new agreements with additional countries, which could not offer the inducements originally contemplated.

Some of these countries have had agreements for only 5 years. I think the French agreement will run out at the end of this year. We shall have great difficulty, I think, in extending the program if the final effects of this amendment are not modified.

It would also disrupt the relatively stable, long-term planning of these programs. Such planning is done on a 2-year cycle, a period of time which is necessary because of the active participation of the binational commissions in each country in the planning and administration of the programs.

As I have mentioned before—and I say it again for the RECORD—such planning is done on the basis of a 2-year cycle of time, which is necessary because of the participation of the binational commissions in each country in the planning and administration of the program.

The need for planning on a longer basis than 1 year is evident from the 2-year cycle in operations which runs approximately as follows:

The foundation's proposals to the foreign countries are submitted to the Department on or about March 15 in each year. The report and the approval of the Department take place about May. The announcement of the opportunities, which is made in various schools over the country by proper methods of making known the opportunities, takes place between June and October. Applications are received and processed between November and January.

That is, the list closes, so to speak, at the end of October, and between November and January the applications are processed.

The applications run close to 10,000. Processing the applications is a very big job. It is a difficult task to screen them. We have representatives on the campuses of about a thousand institutions in this country. There are 48 State committees, where the applications are first made. They finally go up to the board of foreign scholarships, but there is a great deal of work to be done in the interim. It is not like purchasing so many bags of corn on the market. The work must be done very carefully, and I think it has been done carefully.

The selection and placement follow from February to April. Up to that point it is a full year's cycle before they get to the selection. Then the grantees undertake to travel in July and August. So with respect to the program which

was begun last April, the grantees will begin their travels a year from now, July or August of 1954, or at least the majority of them will do so in the Northern Hemisphere, and arrive at their destination the following September or October. In some places in the Southern Hemisphere it will vary somewhat, and the time may be 2 or 3 months later. So the minimum is of well over a year and a half, and 2 years is a reasonable time for the cycle.

All these problems would be aggravated by the fact that dependence upon annual appropriations for the expenditure of these foreign currency funds would result in uncertainty as to the level of operations from year to year in a given country, a situation thus far avoided by including fixed maximum amounts in the agreements, and on the understanding that such amounts would be expended each year. If, in making such annual appropriations, the Congress failed to provide sufficient funds to maintain the dollar programs authorized by the Smith-Mundt Act and at the same time foreign currency expenditures expected under these agreements, all these problems vis-a-vis the reaction of the other governments and countries involved would be aggravated further. In the case of drastic reductions in the annual appropriation, a necessarily uneven and inequitable reduction in the level of such operations as between the various countries would create ill will or at least the kind of confusion which anti-American forces abroad are ever ready to exploit.

That such annual appropriations will in fact lead to uncertainty from year to year as to the amounts to be made available for these exchanges is far from improbable. The same thing is true of any reduction by the Congress in the annual estimates which would force the Department of State to reduce the level of foreign currency expenditures for the exchange program in some or all of the participating countries. The action of the House and the conference, as a matter of fact, illustrates this problem clearly. If the 38 percent cut which they recommend is to be applied to the exchange program and if at the same time the Rabaut amendment is to apply to it, it is estimated that the Department of State would be forced to reduce the foreign currency total by about \$2,401,023. Such action would force the Department to distribute this cut in foreign currency either heavily in some of the participating countries or less drastically in all. Either procedure would certainly aggravate the problem which the application of this amendment creates.

It was for reasons such as these that the President, after acquainting himself with the facts involved, decided that these currencies should be exempt from the provisions of the Rabaut amendment. He, therefore, directed the Bureau of the Budget, to permit the State Department to request Congress for such an exemption. Moreover, and for the same reasons, such exemption has been recommended by the Hickenlooper Committee, the United States Advisory Commission

on Educational Exchange, and the President's Board of Foreign Scholarships.

The amendment which was adopted by the Senate had been approved by representatives of the Comptroller General, the Bureau of the Budget, the Senate Appropriations Committee, and the Senator from Virginia [Mr. BYRD].

It is beyond my understanding why, with the unanimous recommendation of all the agencies, and even by the President of the United States, the conferees on the part of the House of Representatives was unwilling to accept the amendment. I believe they misunderstood it. I am confident that the members of the conference committee on the part of the House had little understanding of the actual administration of the program.

I may say that such agencies as the CIA have also told me that this program has been of great assistance to them, in that it creates a fund of raw material, so to speak, of trained young men who speak foreign languages and who are familiar with foreign languages and who can be of great assistance in the operations of the program.

The same situation is true with respect to private industrial concerns. Representatives of the Standard Oil Co. of New Jersey and of the Gulf Oil Co. have come into my office to say that they are interested in this type of program, and they want to assist it, because they need young men who are familiar with such places as the Middle East and countries in South America, and who speak the language and understand the people, and who are able to function in their organizations.

Of course, above all, the Foreign Service of the United States, and even the information program, about which so much has been said and at which so much criticism has been leveled, need people who have had some experience abroad and who speak the languages of other countries and have some understanding of the subject. If the United States is to play its part in the world, and if it is to assume its proper place of leadership in world affairs, it certainly needs people who have had experience which this program offers. It should be continued. I think it would be a great blow to the prestige of this country and to the efficiency of our Government if this program were destroyed in this off-hand, and, I think, unintended manner.

Mr. MORSE obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield so that the Senate may conclude the consideration of the unfinished business, which is the Bankhead-Jones farm tenant bill? I do not believe it will take long to dispose of it.

Mr. MORSE. Mr. President, I have always followed a policy of courtesy, as the representative of the Independent Party, to postpone the making of my weekly report until my good friend, the Senator from California, has transacted all the business of the Senate. If the Senate will give me unanimous consent to yield to the Senator from North Dakota [Mr. YOUNG] for the consideration

of the bill without my losing my right to the floor, I shall be delighted to yield.

The PRESIDING OFFICER (Mr. CASE in the chair). Is there objection? The Chair hears none, and it is so ordered.

INCREASE IN INTEREST RATE UNDER THE BANKHEAD-JONES FARM TENANT ACT

The Senate resumed the consideration of the bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. YOUNG. Mr. President, S. 1276 is an amendment to the Bankhead-Jones Farm Tenant Act, permitting the Secretary of Agriculture to increase interest rates on loans from the present 3 percent to 4 percent. I shall make a very brief explanation. These are insured real estate mortgage loans which, under title I of the act, are for the purpose of acquiring, enlarging, or improving family-sized farms.

As of January 31, 1953, a total of 7,167 loans of this type had been made. I should like to read from a letter, which is in the nature of a report to the chairman of the Committee on Agriculture and Forestry, by Mr. True D. Morse, Under Secretary of Agriculture. In the letter, which is dated June 24, 1953, Mr. Morse says:

Early in 1951, the principal lenders who had been participating in this program discontinued making funds available for such purposes. These investors reported that the interest rate on such loans made them less attractive than other investments, including long-term Government securities which can be purchased in even denominations, can be sold without restriction, and from which the income can be collected with less accounting expense on the part of the holder.

Mr. President, we have permitted an increase in interest rates on Federal Housing loans and on so-called GI loans.

In order to make this program workable, much as I dislike to do so, I think it is necessary to permit the Secretary of Agriculture to increase the interest rates on these loans.

A large percentage of the loans go to veterans who are engaged in farming.

In my State more than 90 percent of all the loans which have been made, under this phase of the FHA program, have been made to such veterans. It is about the only way in which a large number of veterans can obtain necessary financial assistance in order to become engaged in farming.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YOUNG. I am happy to yield to the Senator from Tennessee.

Mr. GORE. I originally objected to the passage of the bill when it was called on the calendar. I felt it was an unjustified increase in the interest rates for farmers purchasing small farms for homes.

However, after I had studied the matter and inquired into it further, I found

that it was an inevitable consequence of the hard money policy which has been put into effect, and that to further obstruct the passage of the bill, despite the fact that it raises the interest rate, would operate to prevent young, ambitious farmers from purchasing farms and homes under this worthwhile program.

Mr. YOUNG. That is correct. I may say to the distinguished Senator from Tennessee that for some time we have had trouble in obtaining sufficient capital for this type of loan, commencing back in 1951. Of course, the recent increase in the interest rates has not helped the situation.

Mr. GORE. I recognize the distinguished Senator from North Dakota as a true friend of the farmer, and I note with interest that he supports the bill with regret, as does the junior Senator from Tennessee.

Mr. YOUNG. I thank the Senator from Tennessee.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a letter I received from Mr. R. B. McLeaish, Administrator of the Farmers' Home Administration, in the United States Department of Agriculture; a letter which the Farmers' Home Administration received from Mr. D. Hale Brake, State treasurer, Lansing, Mich.; and a letter received by the chairman of the Committee on Agriculture and Forestry, the Senator from Vermont [Mr. AIKEN], from Mr. True D. Morse, Under Secretary of the Department of Agriculture.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
FARMERS' HOME ADMINISTRATION,
Washington, D. C., July 31, 1953.
Hon. MILTON R. YOUNG,
United States Senate.

DEAR SENATOR YOUNG: We are enclosing herewith a copy of a letter received from the State treasurer of Michigan wherein he advises us that the present 3 percent interest on insured loans is insufficient since they can invest their retirement funds at higher rates.

I thought this information would be of interest to you since you have introduced S. 1276 for the purpose of correcting this situation. From an idealistic standpoint, the 3-percent-interest rate is excellent, but it is of no service to farmers if money cannot be obtained at that rate.

Hoping to have the pleasure of meeting you in the very near future, I am,

Sincerely,

R. B. McLEAISH,
Administrator.

LANSING, MICH., July 20, 1953.
Mr. LELAND H. SMALL,
Acting State Director,
Farmers Home Administration,
East Lansing, Mich.

MY DEAR MR. SMALL: It is my understanding that the State Employees' Retirement Fund and the Municipal Employees' Retirement Fund have furnished you with your principal market for Farmers Home Administration mortgages for some time in the past and at times your only market. We were committed for the present calendar year for \$100,000 in the Municipal Employees' Retirement Fund of which we have already purchased \$35,910; and in the State Employees'

Retirement Fund we were committed for \$250,000 and I understand we have purchased so far \$160,150.

We expect to carry out our commitments in connection with both funds between now and December 31 but at the meeting of the board of directors of the Municipal Employees' Retirement Fund, held on July 16, I was instructed to tell you that we will not be interested in further purchases after our present commitment unless and until net interest rates to the mortgages are increased to not less than 3½ percent. Three percent is not in harmony with present-day interest rates.

Likewise, in connection with the State Employees' Retirement Fund, I will not be in position to recommend to the administrative board any further purchases after our present commitment has been fulfilled unless the increase in interest rates above mentioned takes place.

I regret that it is necessary to take this position. I have liked these mortgages on the basis of the terms and conditions in connection therewith and because admittedly I am a little partial to farmers; but, on the other hand, assuming that general interest rates remain at approximately the present level or that they rise further, one cannot justify an investment in these mortgages at anything less than 3½ percent.

This letter is written to you with the assumption that you will pass the information on to the proper people in Washington. Congress has already, as I understand it, raised the interest rates on regular FHA mortgages and GI mortgages and should have taken like action with reference to the Farmers Home Administration mortgages.

Yours very truly,

D. HALE BRAKE,
State Treasurer.

DEPARTMENT OF AGRICULTURE,
Washington D. C., June 24, 1953.

HON. GEORGE D. AIKEN,

Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR AIKEN: This is in response to your request for a report on S. 1276, a bill to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act. It would increase the interest rate on mortgages insured under the act by the Secretary of Agriculture from 3 to 4 percent and the rate on direct loans made by the Secretary from 4 to 5 percent. We recommend that the bill be amended as hereinafter described, and as amended be enacted.

Section 12 of the Bankhead-Jones Farm Tenant Act, as amended, authorizes the Secretary of Agriculture to insure real estate mortgage loans made by private lenders to farm tenants, farm laborers, sharecroppers, and other persons, including veterans, who are eligible for the benefits of title I of the act for the purpose of acquiring, enlarging, or improving family-size farms. To be eligible for insurance, such mortgages must require amortized repayments over a period not in excess of 40 years, provide for a base rate of interest of not more than 3 percent per annum, secure a principal obligation of not to exceed 90 percent of the fair and reasonable value of the farm based on normal earning capacity, and require the borrower to pay the Secretary an initial mortgage insurance charge of 1 percent of the principal of the obligation and, thereafter, annual charges of 1 percent on the unpaid principal balance; one-half of such charges to be paid into the mortgage insurance fund and the remaining one-half to be available to the Secretary for administrative expenses. The Secretary of Agriculture handles the making of the loan and acts as agent for the insured lender in making collections and in otherwise servicing the loans. Any such loans in default for 1 year may be assigned to the Sec-

retary after payment of the value of the mortgage to the holder.

The act initially authorized the insurance of mortgages providing for a base interest rate of 2½ percent per annum. Very few investors could be interested in such loans at such rate; so, in 1948, the rate was increased to 3 percent and several other remedial changes were made in the law to make such loans more attractive to lenders. As of January 31, 1953, a total of 7,167 loans was insured for an amount of \$57,688,768.

Early in 1951, the principal lenders who had been participating in this program discontinued making funds available for such purposes. These investors reported that the interest rate of such loans made them less attractive than other investments, including long-term Government securities which can be purchased in even denominations, can be sold without restriction, and from which the income can be collected with less accounting expense on the part of the holder.

As a result of this withdrawal by many lenders, less than one-half as many loans have been insured in the fiscal years 1952 and 1953 as were insured in the fiscal years 1950 and 1951.

It appears that, in order to make insured loans under this authority attractive in competition with other investments, the yield on such loans should provide the lender with a return of approximately 125 points above the yield of long-term Government bonds. As of January 31, 1953, the Secretary of the Treasury reported that long-term Government bonds carried an average interest rate of approximately 2.7 percent. This would indicate that the interest rate on insured mortgages would need to be approximately 4 percent at the present time if such investments are to prove acceptable to private lenders.

There is justification for a higher rate of interest on insured mortgages than that for Government bonds. This is based on the lack of liquidity of insured mortgages as compared with Government bonds, the fact that the mortgages cannot be purchased in even denominations, the added accounting expense involved in handling partial payments, partial releases, and those other items incident to handling real estate mortgages.

While these indications appear to support an increase in the interest rate at this time, we believe that the language of the proposed amendment should be sufficiently flexible to authorize the Secretary to make downward adjustments in the interest rate should future money market conditions permit. This could be accomplished by establishing a maximum interest rate instead of a fixed charge. The statutory establishment of a maximum interest rate instead of a fixed charge finds support in the authorization to insure mortgages under the National Housing Act and the guarantee of mortgages under the Servicemen's Readjustment Act, as amended.

Should this suggestion be adopted, the bill should make a comparable change in interest rate on direct loans under title I of the act. With these changes, the bill would read:

"That section 3 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended by inserting 'not in excess of 5 percentum' in lieu of '4 percentum,' and section 12 (c) (4) of such act is amended by inserting 'not in excess of 4 percentum' in lieu of '3 percentum.'"

We would construe these proposed changes as permitting the Secretary to fix the interest rate on insured mortgages and direct title I loans at a rate less than the maximum, in spite of the provisions of section 44 (b) which now provide that the Secretary "shall, except as otherwise specifically provided by the Congress, make all loans at the rate of 5 percent per annum * * *." The effect of the

proposed amendment would be to take title I loans and insured mortgages out of the restriction quoted from section 44 (b).

When the authorization to insure mortgages was originally enacted, there was considerable discussion about the relationship between the yield on insured mortgage loans and the interest charged on direct loans by the Secretary. It was the feeling of the Congress at that time that the net cost to borrower whether under the direct loan method or the insured mortgage method, should be approximately the same. Otherwise, the 50 percent insured mortgage loan would not be attractive so long as funds were made available for direct loans. This same theory was adopted in the amendment to the act in 1948 when the interest rate on direct loans was increased from 3½ percent to 4 percent, and the base rate of interest on insured loans was increased from 2½ percent to 3 percent.

The changes proposed will not require the making available of any additional loan funds for direct loans, nor will there be any substantial increase in administrative expenses. Any increase in the volume of insured loans induced by the bill would undoubtedly be gradual. During the coming fiscal year, the additional cost could probably be absorbed.

For the foregoing reasons, it is the recommendation of this Department that the bill be amended, and as amended be enacted.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

The PRESIDING OFFICER. The committee amendments will be stated.

The amendments of the Committee on Agriculture and Forestry were, in line 4, after the word "inserting", to insert "not in excess of"; and in line 6, after the word "inserting", to insert "not in excess of", so as to make the bill read:

Be it enacted, etc., That section 3 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended by inserting "not in excess of 5 percent" in lieu of "4 percent", and section 12 (c) (4) of such act is amended by inserting "not in excess of 4 percent" in lieu of "3 percent."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL APPROPRIATIONS FOR THE LOWER SAN JOAQUIN RIVER PROJECT

MR. GORE. Mr. President, will the Senator from Oregon yield to me?

MR. MORSE. I yield.

MR. GORE. During the call of the calendar earlier in the day Calendar No. 827, H. R. 4305, was called, and the Senator from Nevada [Mr. McCARRAN] objected. Since then he has personally informed me, as a member of the minority calendar committee, that he no longer has objection to the bill.

Therefore, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 827, H. R. 4305.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4305) to authorize additional appropriations for the lower San Joaquin River project.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield further to me?

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator from Oregon yield to the Senator from California?

Mr. MORSE. I yield, provided I may obtain unanimous consent that in doing so I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, let me say to the minority leader that I am about to move that the Senate proceed to the consideration of House bill 5740, Calendar 708. Not that I intend to have the bill passed at this time, but merely in order to have the bill made the unfinished business. This bill has previously been discussed; and by making it the unfinished business, it will be available for consideration on Monday, when we return.

Mr. President, I now move that the Senate proceed to the consideration of House bill 5740.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5740) to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes.

AUTHORIZATION TO FILE REPORTS, RECEIVE MESSAGES, AND SIGN ENROLLED BILLS DURING THE RECESS—PROGRAM FOR MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that during the recess of the Senate, the committee may be authorized to file reports; that the Secretary of the Senate be authorized to receive communications from the House of Representatives or from the President of the United States; and that the President of the Senate be authorized to sign enrolled bills.

The PRESIDING OFFICER. Without objection—

Mr. GORE. Mr. President, reserving the right to object, let me ask whether the distinguished acting majority leader can give us an indication, for the RECORD, of the program for Monday.

Mr. KNOWLAND. Yes; I shall be glad to do so.

Previously, I indicated that the Senate would meet at 11 o'clock on Monday. The distinguished Senator from Tennessee was not on the floor at the time, but later I told Mr. Johnston, the secretary to the minority, that I would propose that when a recess is taken tonight, it be taken to 10 o'clock on Monday next. On Monday I expect to have the Executive Calendar called, for consideration

of whatever new reports or nominations may be on it; and possibly we shall have a calendar call, depending on whether sufficient measures have been placed on the calendar by that time. We shall take up the conference reports which then are ready, which will include the one now at the desk, but which I have informed the minority leader we shall not take up tonight, namely, the conference report on the mutual aid appropriation bill. I believe that is the only one now at the desk. The supplemental appropriation bill is now in conference. I also include the conference report on extension of the Reciprocal Trade Agreements Act.

I hope that by that time we shall have received the conference report on House bill 6049 dealing with the impact, from the point of view of education, on certain areas in which there are Federal Government installations, particularly in connection with national defense activities. That bill was passed by the Senate today, and is in conference. I hope the conference report on it will be available by that time.

I do not mean to state that the list I am now submitting is all-inclusive, for it is my intention to have the Senate consider at that time any conference reports which may be at the desk.

Then at about 11:40 a. m., on Monday, the intention now is to have the Senate take a recess, and proceed as a body to the Rotunda of the Capitol, where the memorial services will be held for the late senior Senator from Ohio, Mr. TAFT.

Following that, we shall return to the Senate Chamber, and resume legislative session, to take up any conference reports which have not been acted upon, and then to take up House bill 5740, calendar 708, amending the Federal Food, Drug and Cosmetic Act; and Senate Resolution 137, calendar 507, increasing the limit of expenditures under certain Senate Resolutions.

Again I wish to state that I do not mean that the list I am now stating is all-inclusive, although at this time I do not know of other measures to be included. But we shall give advance notice to the minority leadership.

Mr. GORE. Mr. President, will the Senator from California yield further?

Mr. KNOWLAND. I yield.

Mr. GORE. I take it that the seriatim listing of those measures by the majority leader is an indication of the order in which they will be considered, so that Senators may be so advised.

Mr. KNOWLAND. Generally speaking, I would expect to have the Senate take up the Executive Calendar first, and then possibly the conference reports, before the calendar is called; and before the call of the calendar we might take up the several bills to which I have just made specific reference.

However, I should like to have time to consider that matter further, because the final arrangement may depend upon the number of bills which then are on the calendar, and whether the calendar committees have had an opportunity to study them. Any bills of sufficient importance could be taken up on motion.

Mr. GORE. However, I understand that the intention is to take up any important conference reports then ready, such as the one on the mutual aid appropriation bill and the one on the supplemental appropriation bill. Is that correct?

Mr. KNOWLAND. I would expect to have the Senate take them up immediately after the Executive Calendar is disposed of.

Mr. FULBRIGHT. Mr. President, will the Senator from California make an announcement about the program for this evening?

Mr. KNOWLAND. Yes. As soon as the distinguished Senator from Oregon [Mr. MORSE] completes his remarks, and after the making of requests to have various matters printed in the RECORD, I propose to have the Senate take a recess until 10 o'clock on Monday next. I do not expect to have the Senate take up any other legislative business this evening. The only other matters would be those to be submitted for printing in the RECORD.

I am calling to the attention of the acting minority leader and the secretary for the minority one additional bill which we shall want to take up, and probably shall take up, on Monday. It is Senate bill 1706, which is Calendar No. 699.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request of the Senator from California.

Mr. GORE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

MR. AND MRS. LUCILLO GRASSI

Mr. WATKINS. Mr. President, I wish to make a request about a bill which first passed the Senate, and which the House has passed with an amendment.

Mr. KNOWLAND. Let me ask the number of the bill, please.

Mr. WATKINS. It is Senate bill 1039, accompanied by Report No. 616, for the relief of Mr. and Mrs. Lucillo Grassi.

Mr. KNOWLAND. What changes have been made by the House?

Mr. WATKINS. This bill, as amended, provides for the restoration of United States citizenship to Mr. and Mrs. Lucillo Grassi, who expatriated themselves by voting in a foreign election and because of residence outside the United States.

The amendment provides for the restoration of citizenship pursuant to sections 204 (j) and 337 of the Immigration and Nationality Act.

I think the House amendment would require them to take another oath. We once had a general bill on this subject, but these persons were not included under it.

Mr. KNOWLAND. I have consulted with the acting minority leader, the Senator from Tennessee [Mr. GORE], and I understand the minority would have no objection to having that matter taken up at this time.

Mr. WATKINS. Then, Mr. President, I ask that the Chair lay before the Senate

S. 1276

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1953

Referred to the Committee on Agriculture

AN ACT

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 3 (b) (2) of the Bankhead-Jones Farm
4 Tenant Act, as amended, is amended by inserting “not in
5 excess of 5 per centum” in lieu of “4 per centum”, and sec-
6 tion 12 (c) (4) of such Act is amended by inserting “not
7 in excess of 4 per centum” in lieu of “3 per centum”.

Passed the Senate August 1, 1953.

Attest:

J. MARK TRICE,

Secretary.

AN ACT

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

AUGUST 3, 1953

Referred to the Committee on Agriculture

AMENDMENTS TO BANKHEAD-JONES FARM TENANT ACT

JUNE 3, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 1276]

The Committee on Agriculture, to whom was referred the bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

(a) The words "less any prior lien indebtedness" shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words "or second" shall be inserted after the word "first" where it appears in the first sentence of section 3 (a).

(b) The words "a rate of interest not in excess of 5 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "the rate of 4 per centum per annum" in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

(c) The words "shall not be in excess of 4 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "shall be 3 per centum per annum" in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

(d) The words "pursuant to section 43" shall be deleted from section 46 (7 U. S. C. 1020).

(e) Section 51 of said Act (7 U. S. C. 1025) is amended to read as follows, except insofar as said section affects title III of the Bankhead-Jones Farm Tenant Act, as amended:

"The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this Act, the Act of August 14, 1946, the Act of April 6, 1949, the Act of August 28, 1937, or the item 'Loans to Farmers, 1948, Flood Damage' in the Act of June 25, 1948, as those Acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such

indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act."

Amend the title of the bill to read:

A bill to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes.

STATEMENT

The bill reported herewith (S. 1276) passed the Senate on August 1, 1953. As passed by the Senate and referred to this committee, the bill dealt only with a change in interest rates on loans and insured mortgages under the Farmers' Home Administration program. Subsequent to the bill's passage by the Senate, the Secretary of Agriculture submitted to the Speaker of the House by executive communication a proposed bill embodying other changes in the laws applicable to FHA loan programs. This bill was introduced on March 31, 1954, by the chairman of the committee.

The House bill (H. R. 8656) contains in subsections (b) and (c), relating to interest rates, the complete provisions of the bill approved by the Senate. In considering these bills, therefore, the committee has amended the Senate bill by striking out all after the enacting clause and substituting the wording of H. R. 8656 as amended by the committee.

The only substantial amendment made by the committee to the language proposed by the Secretary of Agriculture and embodied in H. R. 8656 was to eliminate a provision which would have authorized the FHA to insure farm mortgage loans up to 100 percent of the value of the real estate. The present maximum insurable limit is 90 percent of the value of the farm and the committee believed that it should remain at this level. That provision appeared as subsection (d) of H. R. 8656.

Subsections (b) and (c), containing the entire provisions of the Senate bill, will permit the Secretary of Agriculture to increase the rate of interest to not to exceed 5 percent in the case of direct FHA loans and to a base interest of not in excess of 4 percent on insured mortgage loans. At the present time the rates of interest are 4 percent and 3 percent, respectively. Testimony before the committee indicated that the present rate of 4 percent on direct FHA loans is below the usual rate of interest charged by lending institutions for similar loans and has led, therefore, to a situation where borrowers are turning to the FHA program because of the attractive interest rate, rather than coming to the FHA as a last resort when they are unable to obtain adequate credit elsewhere, which was the intent of Congress. In the case of insured mortgage loans, evidence also indicates that with commercial interest rates considerably above the basic 3 percent permitted by law for those loans, there is little attraction for private capital to be used in this program, as Congress intended. It is believed that the increase authorized by this bill in the interest on these two types of loans will prove beneficial to the program, will make it more nearly meet the intent of Congress, and also that the flexibility permitted to the Secretary to adjust loan

rates within the maximum will permit the program to more nearly keep in step with other loan activities.

In addition to authorizing an increase in interest rates, and permitting the Secretary to make adjustments therein from time to time, the committee amendment will make three other changes in the existing law relating to Bankhead-Jones Farm Tenant Act loans and insured mortgages. The reasons for the changes are explained in some detail in the executive communication of March 29, 1954, which is appended hereto and made a part of this report.

Subsection (a) will permit the Farmers' Home Administration to make direct loans on the security of second mortgages where the combined value of the first and second mortgages does not exceed the value of the farm as certified by the county FHA committee. At the present time, FHA is authorized to make loans on the security of first mortgages up to the full value of the farm as certified by the county committee. In a relatively large number of instances, farmers who are eligible borrowers but who have an outstanding mortgage held by some loan institution other than FHA come to that agency for a loan. If the county committee finds the borrower to be eligible and the security adequate, it will make the loan but the only manner in which the loan can be made under present law is to refinance the whole operation by paying off the existing mortgage and making a new mortgage to cover both the existing indebtedness and the additional loan. This means that FHA funds are tied up unnecessarily in loans which need not be made except for this provision of law and used to pay off loans already satisfactorily placed by the farmer. The authority to make direct loans on the security of second mortgages will remedy this situation, will permit the making of second mortgage loans on adequate security, and will result in making available for other uses several million dollars of loan funds annually, which would otherwise be used in making these duplicating first mortgage loans.

Subsection (d) of the committee amendment will permit FHA to sell property acquired by foreclosure to corporations engaged in the farming business if such a corporation makes the highest bid for the property. At present, FHA is prohibited from accepting the bid of a farming corporation for property sold pursuant to foreclosure except in the case of property acquired under the liquidation of the resettlement program. There appears to be no reason why FHA should not be permitted to obtain the best price possible for property sold pursuant to a foreclosure action even though the highest bid may be submitted by a farming corporation.

Subsection (f) extends to several recent acts of Congress the authority for FHA to protect its investment and its security by making advances to protect its loans or bidding for and purchasing at foreclosure sale or otherwise property which has been pledged as security for such loans. This authority already exists as to the basic FHA program.

EXECUTIVE COMMUNICATION

The following is the executive communication from the Secretary of Agriculture addressed to the Speaker of the House of Representatives explaining the desirability for the proposed amendments:

MARCH 29, 1954.

HON. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives.

DEAR MR. SPEAKER: There is transmitted herewith, for the consideration of the Congress, a proposed bill which would amend the provisions of the Bankhead-Jones Farm Tenant Act, as amended, relating to the making, insuring, and servicing of loans by the Secretary of Agriculture for the purchase and improvement of farms.

The proposed bill would authorize a variable interest rate not in excess of 5 percent instead of the present fixed rate of 4 percent on direct loans; would authorize the insurance of mortgages bearing an interest rate not in excess of 4 percent as determined by the Secretary instead of the present 3 percent; would authorize such direct loans to be secured by second mortgages as well as by first mortgages as now required; and would authorize the insurance of mortgages in an amount equal to the fair and reasonable value of the farm by repealing the present provision limiting the insurance to not in excess of 90 percent of such value. The proposed legislation includes other technical amendments including broadening of the authority of the Secretary with respect to servicing loans administered under the Bankhead-Jones Farm Tenant Act and simplifying the servicing of other loans administered by the Farmers' Home Administration by authorizing them to be treated in the same manner as indebtednesses arising under the Bankhead-Jones Farm Tenant Act.

The amendment of the Bankhead-Jones Farm Tenant Act by Public Law 720, 80th Congress, approved June 19, 1948, raised the interest rate from $3\frac{1}{2}$ to 4 percent on direct loans and from $2\frac{1}{2}$ to 3 percent on insured loans. Since then the yield on securities generally has increased appreciably with the result that a decreasing amount of private capital has been available for the insured mortgage program. With respect to direct loans, the interest rate charged under present authority is considerably less than the prevailing rate of interest charged for similar loans to persons who are not eligible for assistance under the Bankhead-Jones Farm Tenant Act. We believe the interest rate on these direct and insured loans, which may be made only to those persons who cannot secure credit from private, cooperative, or other responsible sources on reasonable terms and conditions, should be commensurate with the prevailing rate charged to other persons who are not required to meet the same eligibility standards.

Considerable difficulty has been experienced in the past by the rigidity of the interest rate requirement in the act. It would be preferable to raise and lower the interest rate for such loans as interest rates generally become firm or decline. We do believe, however, that the type of loan authorized by the act may not be generally successful if interest is charged in excess of 5 percent. For these reasons, it is our recommendation that the act be changed to fix a maximum interest rate of 5 percent on direct loans, and a maximum interest rate of 4 percent on insured loans plus a 1 percent per year insurance and administrative expense charge, and that the Secretary be authorized to vary the interest rate below these figures if the circumstances warrant.

The present requirement of the act that loans made be secured by a first mortgage makes additional Federal financing necessary on direct loans, particularly in the cases of farm enlargement or farm development loans on farms already mortgaged to other parties. We believe that our suggested change authorizing the taking of either first or second mortgages would make the loans available to additional and worthy applicants and at the same time eliminate some refinancing.

The proposal to authorize the insurance of loans up to the reasonable value of the farm is made because it has been the agency's experience under existing authority that farm laborers, farm tenants, and other persons eligible for assistance under the act generally have very limited funds of their own to make the initial investment in their farm. The present requirement that the mortgage to be eligible for insurance shall not exceed 90 percent of the fair and reasonable value of the farm has often resulted in the use of the borrower's small capital for this 10 percent equity payment and has made it necessary for him to borrow heavily for operating capital. We believe that, with adequate loan planning and reasonable loan supervision, the additional risk of loss incident to a loan based on the full earning capacity value of the farm is not as great as the risk of failure of the real estate loan by reason of too great an indebtedness on short-term loans for operating purposes. One crop failure during the life of a short-term operating loan indebtedness could well cause the loss of the borrower's entire investment and necessitate a forced sale of the security with possible loss to the insurance fund.

Generally speaking, these amendments would liberalize the provisions of the

Bankhead-Jones Farm Tenant Act and would in some measure compensate for the expiration of the authority to make direct loans for farm housing and other improvements under title V of the Housing Act of 1949, as amended.

The proposed bill contains a few technical amendments necessitated by the proposals discussed above. It also contains a revision of section 51 dealing with the Secretary's authority to preserve and protect security property. The changes in this section are made necessary by the proposal to make and insure second mortgage loans and by the lack of existing authority to deal adequately with all types of security property. In addition, the servicing problems of the Farmers' Home Administration would be simplified tremendously if the same servicing authority existed with respect to loans and obligations administered under the Farmers' Home Administration Act of 1946, water facility loans, disaster loans, and flood damage loans made in 1948 and 1949. There is some doubt that the Secretary now has sufficient authority to service effectively some of these loans particularly in connection with the liquidation of security.

It is anticipated that, if enacted, the provisions of this proposed legislation would make both direct and insured loan assistance available to additional needy farmers who cannot secure the necessary credit from private or cooperative sources on reasonable terms. While the anticipated additional insured loans will increase the amount of insurance premium available for administrative expenses, past experience indicates that these sums will not provide fully for the administration of the program. There may therefore be need for appropriation of additional funds for administrative expenses, the amount of which will depend on the actual increase in volume of loans which may be experienced.

The Department recommends the enactment of this proposed legislation.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

E. T. BENSON,
Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3, rule XIII, of the rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

TITLE 7—AGRICULTURE

CHAPTER 33. FARM TENANCY

Sec. 1000. Short Title.

Sections 1001–1005d, 1007, and 1008–1029 of this title may be cited as “The Bankhead-Jones Farm Tenant Act.”

* * * * *

Sec. 1003. Terms of Loans.

(a) Loans made under sections 1001–1005d of this title shall be in such amount (not in excess of the amount certified by the county committee to be the value of the farm *less any prior lien indebtedness*) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first or *second* mortgage or deed of trust on the farm. Loans may not be made for the acquisition or enlargement of farms which have a value, as acquired, enlarged, or improved, in excess of the average value of efficient family-type farm-management units, as determined by the Secretary, in the county, parish, or locality where the farm is located.

(b) The instruments under which the loan is made and security given therefor shall—

* * * * *

(2) provide for the payment of interest on the unpaid balance of the loan at [the rate of 4 per centum per annum.] *a rate of interest not in excess of 5 per centum per annum as determined by the Secretary.*

* * * * *

83^D CONGRESS
2^D SESSION

S. 1276

[Report No. 1741]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1953

Referred to the Committee on Agriculture

JUNE 3, 1954

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Bankhead-Jones Farm Tenant Act in order to
increase the interest rate on loans made under title I of
such Act.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That section 3 ~~(b)~~ ~~(2)~~ of the Bankhead-Jones Farm

4 Tenant Act, as amended, is amended by inserting "not in

5 excess of 5 per centum" in lieu of "4 per centum", and sec-

6 tion 12 ~~(e)~~ ~~(1)~~ of such Act is amended by inserting "not

7 in excess of 4 per centum" in lieu of "3 per centum".

8 *That the Bankhead-Jones Farm Tenant Act, as amended*

9 *(7 U. S. C. 1001), is further amended as follows:*

10 (a) *The words "less any prior lien indebtedness" shall be*

AN ACT

To amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

AUGUST 3, 1953

Referred to the Committee on Agriculture

JUNE 3, 1954

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

CONSIDERATION OF S. 1276

JULY 7, 1954.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 617]

The Committee on Rules, having had under consideration House Resolution 617, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 231

83^D CONGRESS
2^D SESSION

H. RES. 617

[Report No. 2036]

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (S. 1276) to amend the
5 Bankhead-Jones Farm Tenant Act in order to increase the
6 interest rate on loans made under title I of such Act, and
7 all points of order against said bill are hereby waived. After
8 general debate, which shall be confined to the bill, and shall
9 continue not to exceed one hour, to be equally divided and
10 controlled by the chairman and ranking minority member of
11 the Committee on Agriculture, the bill shall be read for
12 amendment under the five-minute rule. It shall be in order

1 to consider without the intervention of any point of order the
2 substitute amendment recommended by the Committee on
3 Agriculture now in the bill, and such substitute for the pur-
4 pose of amendment shall be considered under the five-minute
5 rule as an original bill. At the conclusion of such considera-
6 tion the Committee shall rise and report the bill to the House
7 with such amendments as may have been adopted, and any
8 member may demand a separate vote in the House on any
9 of the amendments adopted in the Committee of the Whole
10 to the bill or committee substitute. The previous question
11 shall be considered as ordered on the bill and amendments
12 thereto to final passage without intervening motion except
13 one motion to recommit with or without instructions.

83^d CONGRESS
2^d Session

H. RES. 617

[Report No. 2036]

RESOLUTION

Providing for the consideration of S. 1276, a bill to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such Act.

By Mr. ALLEN of Illinois

JULY 7, 1954

Referred to the House Calendar and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 13, 1954
For actions of July 12, 1954
83rd-2nd, No. 129

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HIGHLIGHTS: Senate committee reported bill to extend unemployment compensation to Federal employees. Senate committee ordered reported foreign aid bill. Sen. Johnston charged farm regimentation in extension work. House passed bill to amend Farm Tenant Act. House committee reported bills to authorize rotation of CCC stocks, consent to forest fire compact, and indemnify for certain losses from vesicular exanthema. Rep. Brown, Ga., urged addition of Secretary to National Advisory Council on International Monetary and Financial Problems. Rep. Dondero introduced omnibus flood control bill after committee approval.

SENATE

1. PERSONNEL. The Finance Committee reported without amendment H. R. 9709, to amend the unemployment-compensation program, including a provision extending it to Federal employees (S. Rept. 1794)(p. 9733).
Both Houses received from the Attorney General a proposed bill to amend 18 U. S. C. 284 regarding representational activities of former Federal employees; to Judiciary Committees (pp. 9732, 9806).
2. FOREIGN AID. The Foreign Relations Committee ordered reported with amendments H. R. 9678, authorizing foreign aid appropriations for the fiscal year 1955. The Committee agreed to amendments to end the FOA on June 30, 1955, to bring liquidation provisions of the act into effect on that date, to transfer the Technical Cooperation Program to the State Department, etc. (pp. D816-7.)
The Committee was authorized to report the bill during recess (p. 9770).
3. EXTENSION WORK. Sen. Johnston quoted from a Presidential speech favoring freedom for farmers, inserted a Wall Street Journal article on plans to strengthen extension work, and charged that these plans will regiment farmers (pp. 9737-9).
4. ELECTRIFICATION. Passed with amendments H. R. 7664, providing for development of Priest Rapids site on the Columbia River (pp. 9750-60). Rejected, 29-45, a Magnuson amendment to provide preference for rural cooperatives and others in securing electric power (pp. 9755-8).

received and

5. VIRGIN ISLANDS; ANIMAL QUARANTINE. Both Houses/agreed to the conference report on S. 3378, to revise the organic act of the Virgin Islands. The bill includes provisions to amend the Animal Quarantine Act so that cattle which have been infested with or exposed to ticks, but which are now free from them, may be admitted into the Virgin Islands, and to prohibit the Department from restricting introduction of live poultry into the Virgin Islands. (pp. 9766-7, 9806, 9779-86.) This bill will now be sent to the President.
6. RECLAMATION. Sen. Watkins spoke in favor of the upper Colorado project (p.9740). The Interior and Insular Affairs Committee reported without amendment H. R. 8027, to extend the time during which the Interior Department may enter into mandatory repayment contracts under the Federal reclamation laws (S. Rept. 1795), and H. R. 6786, authorizing Interior to purchase improvements or pay damages for removal of improvements located on U. S. public lands in the Palisades project area (S. Rept. 1797)(p. 9733).
7. HEALTH INSURANCE. The Labor and Public Welfare Committee reported with amendments S. 3114, to encourage more extensive use of the voluntary prepayment method in the provision of personal-health services (S. Rept. 1798)(p. 9733).

HOUSE

8. FARM LOANS. Passed as reported S. 1276, to amend title 1 of the Bankhead-Jones Farm Tenant Act, relating to farm ownership loans, so as to authorize an increase in the interest rates to not over 5% on direct loans and to a base interest of not over 4% on insured loans with authority for adjustments in such rates; to permit direct loans on the security of second mortgages; to permit sale of property acquired by foreclosure to corporations engaged in farming; and to extend to several recent acts the authority for Farmers' Home Administration to protect its investment and security by making advances or purchasing property which has been pledged as security. Agreed to a committee amendment to strike out the provision authorizing loans up to the full value of the farm. (pp. 9779, 9786.)
9. CCC COMMODITIES; FORESTRY; ANIMAL DISEASES. The Agriculture Committee reported without amendment S. 1381, to amend the Agricultural Act of 1949 so as to authorize rotation of old CCC commodities and sales of small lots (H. Rept. 2177); H. R. 6393, to consent to the South Central Interstate Forest Fire Protection Compact (H. Rept. 2179); and S. 2583, to indemnify against loss the owners of certain swine destroyed in July 1952 as a result of vesicular exanthema (H. Rept. 2178)(p. 9806).
10. HEALTH INSURANCE. The Interstate and Foreign Commerce Committee reported (July 9) with amendment H. R. 8356, to encourage more extensive use of the voluntary prepayment method of providing for personal health services (H. Rept. 2106); and the Rules Committee reported a resolution for its consideration (p. 9806).
11. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 236, to authorize the Fryingpay-Arkansas project, Colo. (pp. 9806-7).
12. BANKING AND CURRENCY. Rep. Brown, Ga., spoke in favor of revitalizing the lending activities of the Export-Import Bank and restoring it to National Advisory Council membership, and urged the addition of the Secretary of Agriculture to membership on the National Advisory Council on International Monetary and Financial Problems (pp. 9796-7).
13. FLOOD CONTROL. The "Daily Digest" states that the Public Works Committee

ment he made several weeks ago, that there will be decided improvement. I am satisfied that since he made his remarks there has been improvement in the right direction.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. YATES. As a matter of fact, it has only been the pushing and the persuasion by congressional committees, the Committee on Appropriations and the Select Committee on Small Business, that the Small Business Administration has made any loans at all. Most of the loans that have been made have not been made directly to small businesses, but the vast majority of them have been in cooperation with banks to the small business of the country.

Mr. McCORMACK. The gentleman is a member of the committee?

Mr. YATES. I am.

Mr. McCORMACK. And as I recall, I sent the gentleman a copy of the CONGRESSIONAL RECORD in which the speech made by our colleague, Mr. HILL, was printed.

Mr. YATES. The gentleman is absolutely correct.

Mr. McCORMACK. It was a very fine speech, but he unmistakably called to their attention the fact that there was keen disappointment in what had been accomplished up to date.

Mr. YATES. That is absolutely correct. As a matter of fact, under the first Administrator appointed to the Small Business Administration, whose name was Packard, I think, there were no loans made. He was opposed to making loans. It was only after Mr. Barnes was appointed in December that they started making any loans at all.

Mr. McCORMACK. Whom did Mr. Barnes succeed?

Mr. WOLCOTT. William Mitchell.

Mr. YATES. I thank the gentleman. It was William Mitchell. He refused to make any loans at all.

Mr. McCORMACK. I understand he is now employed in the Department of Agriculture.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AMENDMENTS TO THE BANKHEAD-JONES FARM TENANT ACT

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 617 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1276) to amend the Bankhead-Jones Farm Tenant

Act in order to increase the interest rate on loans made under title I of such act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. Speaker, I rise to urge the adoption of House Resolution 617 which will make in order the consideration of the bill S. 1276, to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act.

House Resolution 616 provides for an open rule, waiving points of order and allows for the consideration of the committee substitute amendment as an original bill for purposes of amendment. One hour of general debate is provided on the bill.

Mr. Speaker, S. 1276 will provide the authorization for the Secretary of Agriculture to increase the rate of interest to not to exceed 5 percent in the case of direct FHA loans and to a base interest of not in excess of 4 percent on insured mortgage loans. The report on this bill emphasizes the fact that the present interest rates on FHA loans are too low and thus compete unfairly with private loans. Consequently instead of farmers coming to the FHA people as a last resort when they fail to get loans through private lending means, the farmers come directly to the FHA which was never the intent of the Congress when the enabling legislation was originally passed.

S. 1276 will also permit the Farmers' Home Administration to make direct loans on the security of second mortgages where the combined value of the first and second mortgages does not exceed the value of the farm as certified by county FHA officials.

The third major provision in this bill, Mr. Speaker, will permit FHA to sell property acquired by foreclosure to corporations engaged in the farming business if such a corporation makes the highest bid for the property.

Lastly, S. 1276 extends to several recent acts of Congress the authority for FHA to protect its investment and its security by making advances to protect its loans or bidding for and purchasing at foreclosure sale or otherwise proper-

ty which has been pledged as security for such loans.

Mr. Speaker, S. 1276 includes many provisions recommended by the Secretary of Agriculture. The Committee on Agriculture has studied this whole subject at great length and I hope that the rule will be adopted and that the bill itself will pass.

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time.

Mr. NICHOLSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

REVISED ORGANIC ACT OF THE VIRGIN ISLANDS

Mr. SAYLOR. Mr. Speaker, I call up the conference report on the bill (S. 3378) to revise the Organic Act of the Virgin Islands of the United States, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2105)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3378) to revise the Organic Act of the Virgin Islands of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That this Act may be cited as the 'Revised Organic Act of the Virgin Islands'."

"SEC. 2. (a) The provisions of this Act, and the name 'Virgin Islands' as used in this Act, shall apply to and include the territorial domain, islands, cays, and waters acquired by the United States through cession of the Danish West Indian Islands by the convention between the United States of America and His Majesty the King of Denmark entered into August 4, 1916, and ratified by the Senate on September 7, 1916 (39 Stat. 1706). The Virgin Islands as above described are hereby declared an unincorporated territory of the United States of America.

"(b) The government of the Virgin Islands shall have the powers set forth in this Act and shall have the right to sue by such name and in cases arising out of contract, to be sued: *Provided*, That no tort action shall be brought against the government of the Virgin Islands or against any officer or employee thereof in his official capacity without the consent of the legislature constituted by this Act.

"The capital and seat of government of the Virgin Islands shall be located at the city of Charlotte Amalie, in the island of Saint Thomas.

"BILL OF RIGHTS

"SEC. 3. No law shall be enacted in the Virgin Islands which shall deprive any person of life, liberty, or property without due process of law or deny to any person therein equal protection of the laws.

"In all criminal prosecutions the accused shall enjoy the right to be represented by counsel for his defense, to be informed of the nature and cause of the accusation, to have a copy thereof, to have a speedy and public trial, to be confronted with the witnesses against him, and to have compulsory process for obtaining witnesses in his favor.

"No person shall be held to answer for a criminal offense without due process of law, and no person for the same offense shall be twice put in jeopardy of punishment, nor shall be compelled in any criminal cause to give evidence against himself; nor shall any person sit as judge or magistrate in any case in which he has been engaged as attorney or prosecutor.

"All persons shall be bailable by sufficient sureties in the case of criminal offenses, except for first-degree murder or any capital offense when the proof is evident or the presumption great.

"Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

"No law impairing the obligation of contracts shall be enacted.

"No person shall be imprisoned or shall suffer forced labor for debt.

"All persons shall have the privilege of the writ of habeas corpus and the same shall not be suspended except as herein expressly provided.

"No ex post facto law or bill of attainder shall be enacted.

"Private property shall not be taken for public use except upon payment of just compensation ascertained in the manner provided by law.

"The right to be secure against unreasonable searches and seizures shall not be violated.

"No warrant for arrest or search shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

"Slavery shall not exist in the Virgin Islands.

"Involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted by a court of law, shall not exist in the Virgin Islands.

"No law shall be passed abridging the freedom of speech or of the press or the right of the people peaceably to assemble and petition the government for the redress of grievances.

"No law shall be made respecting an establishment of religion or prohibiting the free exercise thereof.

"No person who advocates, or who aids or belongs to any party, organization, or association which advocates, the overthrow by force or violence of the government of the Virgin Islands or of the United States shall be qualified to hold any office of trust or profit under the government of the Virgin Islands.

"No money shall be paid out of the Virgin Islands treasury except in accordance with an Act of Congress or money bill of the legislature and on warrant drawn by the proper officer.

"The contracting of polygamous or plural marriages is prohibited.

"The employment of children under the age of sixteen years in any occupation injurious to health or morals or hazardous to life or limb is prohibited.

"Nothing contained in this Act shall be construed to limit the power of the legislature herein provided to enact laws for the protection of life, the public health, or the public safety.

"FRANCHISE

"SEC. 4. The franchise shall be vested in residents of the Virgin Islands who are citizens of the United States, twenty-one years of age or over. Additional qualifications may be prescribed by the legislature: *Pro-*

vided, however, That no property, language, or income qualification shall ever be imposed upon or required of any voter, nor shall any discrimination in qualification be made or based upon difference in race, color, sex, or religious belief.

"LEGISLATIVE BRANCH

"SEC. 5. (a) The legislative power and authority of the Virgin Islands shall be vested in a legislature, consisting of one house, to be designated the 'Legislature of the Virgin Islands', herein referred to as the legislature.

"(b) The legislature shall be composed of eleven members to be known as senators. The Virgin Islands shall be divided into three legislative districts, as follows: The District of Saint Thomas, comprising Saint Thomas, Hassel, Water, Savana, Inner Brass, Outer Brass, Hans Lollik, Little Hans Lollik, Great Saint James, Little Saint James, and Capella Islands, Thatch Cay and adjacent islets and cays; the District of Saint Croix, comprising Saint Croix and Buck Islands and adjacent islets and cays; and the District of Saint John, comprising Saint John and Flanagan Islands, Grass, Mingo, Lovango, and Congo cays and adjacent islets and cays. Two senators shall be elected by the qualified electors of the District of Saint Thomas; two senators shall be elected by the qualified electors of the District of Saint Croix; and one senator shall be elected by the qualified electors of the District of Saint John. The other six senators shall be senators at large and shall be elected by the qualified electors of the Virgin Islands from the Virgin Islands as a whole: *Provided, That in the election of senators at large, each elector shall be entitled to vote for two candidates, and the candidates receiving the largest number of votes shall be declared elected up to the number to be elected at that election. The order of names upon the ballot for each office shall be determined by lot among the candidates: Provided, That the Government Secretary or his designee is authorized to draw for a candidate who does not appear in person, or by authorized representative, at the drawing of lots.*

"SEC. 6. (a) The term of office of each member of the legislature shall be two years. The term of office of each member shall commence on the second Monday in April following his election: *Provided, however, That the term of office of each member elected in November 1954 shall commence on the second Monday in January 1955 and shall continue until the second Monday in April 1957.*

"(b) No person shall be eligible to be a member of the legislature who is not a citizen of the United States, who has not attained the age of twenty-five years, who is not a qualified voter in the Virgin Islands, who has not been a bona fide resident of the Virgin Islands for at least three years next preceding the date of his election, or who has been convicted of a felony or of a crime involving moral turpitude and has not received a pardon restoring his civil rights. Federal employees and persons employed in the legislative, executive or judicial branches of the government of the Virgin Islands shall not be eligible for membership in the legislature.

"(c) All officers and employees charged with the duty of directing the administration of the electoral system of the Virgin Islands and its representative districts shall be appointed in such manner as the legislature may by law direct.

"(d) No member of the legislature shall be held to answer before any tribunal other than the legislature for any speech or debate in the legislature and the members shall in all cases, except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the sessions of the legislature and in going to and returning from the same.

"(e) Each member of the legislature shall be paid the sum of \$600 annually, one-third on the second Monday in April, one-third on the second Monday in May, and one-third at the close of the regular session: *Provided, however, That each member of the legislature shall be paid for the regular session commencing on the second Monday in January 1955, the sum of \$600 annually, one-third on the second Monday in January, one-third on the second Monday in February, and one-third at the close of that session. Each member of the legislature who is away from the island of his residence shall also receive the sum of \$10 per day for each day's attendance while the legislature is actually in session, in lieu of his expenses for subsistence, and shall be reimbursed for his actual travel expenses in going to and returning from each session, or period thereof, for not to exceed a total of eight round trips during any calendar year. The salaries, per diem, and travel allowances of the members of the legislature shall be paid by the Government of the United States.*

"(f) No member of the legislature shall hold or be appointed to any office which has been created by the legislature, or the salary or emoluments of which have been increased, while he was a member, during the term for which he was elected, or during one year after the expiration of such term.

"(g) The legislature shall be the sole judge of the elections and qualifications of its members, shall have and exercise all the authority and attributes, inherent in legislative assemblies, and shall have the power to institute and conduct investigations, issue subpoena to witnesses and other parties concerned, and administer oaths. The rules of the Legislative Assembly of the Virgin Islands existing on the date of approval of this Act shall continue in force and effect for sessions of the legislature, except as inconsistent with this Act, until altered, amended, or repealed by the legislature.

"(h) The Governor of the Virgin Islands shall fill any vacancy in the office of a member of the legislature by appointment. If the vacant office is that of a senator from a district, the person appointed shall be a resident of the district from which the member whose office is vacant was elected. If the vacant office is that of a senator at large the person appointed may be a resident of any part of the Virgin Islands. In any case, the person appointed shall serve for the remainder of the unexpired term.

"SEC. 7. (a) Regular sessions of the legislature shall be held annually, commencing on the second Monday in April, and shall continue in regular session for not more than sixty consecutive calendar days in any calendar years: *Provided, however, That the annual session for 1955 shall commence on the second Monday in January 1955, and shall continue in regular session for not more than sixty consecutive calendar days. The Governor may call special sessions of the legislature at any time when in his opinion the public interests may require it, but no special session shall continue longer than fifteen calendar days, and the aggregate of such special sessions during any calendar year shall not exceed thirty calendar days. No legislation shall be considered at any special session other than that specified in the call therefor or in any special message by the Governor to the legislature while in such session.*

"(b) Sessions of the legislature shall be held in the capital of the Virgin Islands at Charlotte Amalie, Saint Thomas.

"SEC. 8. (a) The legislative authority and power of the Virgin Islands shall extend to all subjects of local application not inconsistent with this Act or the laws of the United States made applicable to the Virgin Islands, but no law shall be enacted which would impair rights existing or arising by

lates that lands and other property of non-residents may not be taxed at a higher rate than the lands or other property of residents. It further provides that public indebtedness of the Virgin Islands shall be limited to 10 percent of the aggregate tax valuation of the property in the Virgin Islands. Subsection (b) authorizes the issuance of revenue bonds for public improvements, subject to certain limitations specified therein. Subsection (c) provides that the laws of the United States applicable to the Virgin Islands and local laws and ordinances in force in the Virgin Islands or any part thereof on the date of the approval of this act, shall continue to apply. Subsection (d) provides for the appointment of a seven-man commission to make recommendations to the Congress with regard to the application of Federal laws to the Virgin Islands. Subsection (e) provides for the codification of Virgin Islands laws at Federal expense.

Section 9, subsection (a), prescribes the quorum of the legislature; subsection (b) prescribes the enacting clause of the acts of the legislature. Subsection (c) provides for the Governor's message to the legislature on the state of the Virgin Islands and for the presentation of the annual financial budget for the fiscal year commencing on the 1st day of July. Subsection (d) sets forth the procedures for executive approval of legislative measures, provides for the Governor's veto, and, in certain circumstances, for the President's consideration of the bills which the Governor has vetoed. Subsection (e) provides that if the legislature fails to pass certain appropriation bills, the sums appropriated in the last preceding appropriation bills shall be deemed to be reappropriated. Subsection (f) provides that a journal of legislative proceedings shall be kept and published. Subsection (g) provides for the transmission within 15 days of the laws enacted by the legislature to the Secretary of the Interior and subsequently to the Congress of the United States.

Section 10 provides for general elections every 2 years. The first election shall be held on November 2, 1954, and thereafter on the first Tuesday after the first Monday in November, beginning with the year 1956. It further provides that the functions and records of the Municipal Councils of St. Thomas and St. John and of St. Croix shall be transferred to the government of the Virgin Islands.

Section 11 vests executive power in the Governor of the Virgin Islands, who will be appointed by the President and exercise his powers under the supervision of the Secretary of the Interior. The Governor shall reside in the Government House on St. Thomas during his official incumbency, free of rent, and while in St. Croix may reside in the Government House there, free of rent. These rent-free stipulations were agreed to at the request of the Senate conferees. This section also defines the functions and powers of the Governor and provides that, except as otherwise expressly stated, he shall appoint all officers and employees of the executive branch of the government of the Virgin Islands.

Section 12 provides for the appointment of a Government Secretary for the Virgin Islands and describes his primary functions. The House conferees receded from their original provision to require the Government Secretary to reside in St. Croix during his official incumbency and to serve as Administrator of St. Croix without additional compensation.

Section 13 is a new section which provides for the appointment of an administrative assistant for each of the islands of St. Croix and St. John. It specifies that, in making such appointments, preference shall be given to qualified residents of the Virgin Islands. This section was added in response to a general feeling that the Governor should

have a personal representative on each of the major outlying islands.

Section 14 combines sections 13 and 14 of the House bill and provides that in the event of disability or temporary absence of the Governor, the Government Secretary shall have all the powers of the Governor.

Section 15 provides that in the event of disability or temporary absence of the Governor and the Government Secretary, the Secretary of the Interior may designate the head of an executive department of the government of the Virgin Islands to act in their stead.

Section 16, in subsection (a), provides that within a year after this act becomes effective the Governor shall reorganize and consolidate the executive branch of the Virgin Islands into not more than nine executive departments and generally prohibits the creation of additional executive departments. The Senate conferees receded to the House request that these executive departments include the following: A department of finance, the head of which shall be designated the commissioner of finance; a department of public works, the head of which shall be designated as the commissioner of public works; a department of education, the head of which shall be designated as the commissioner of education; a department of travel, commerce and industry, the head of which shall be designated the commissioner of travel, commerce and industry; a department of health and welfare, the head of which shall be designated as the commissioner of health and welfare; a department of agriculture and labor, the head of which shall be designated as the commissioner of agriculture and labor; and the department of public safety, the head of which shall be designated as the commissioner of public safety. Subsection (b) provides that after the reorganization of the executive branch, the Governor shall, from time to time, examine the executive branch of the government of the Virgin Islands and subject to the approval of the legislature make such changes, not inconsistent with this act, as are necessary. Subsection (c) provides for the appointment of the heads of the executive departments by the Governor with the advice and consent of the legislature.

Section 17, in subsection (a), provides for the appointment by the Secretary of the Interior of a government comptroller to hold office for a term of 10 years unless sooner removed for cause. He shall receive not to exceed \$12,500 annually and shall not be eligible for reappointment. Subsections (b) through (d) describe the powers and duties of the government comptroller. Subsection (e) provides that the comptroller's decisions shall be final except for an appeal to the Governor and subsection (f) provides a further appeal to the District Court of the Virgin Islands. Subsection (g) provides that the government comptroller may communicate directly with persons having claims or business with him and that he may summon witnesses and administer oaths. Subsections (h) and (i) provide for reports by the government comptroller; and subsection (j) provides that the comptroller's office shall be under the supervision of the Secretary of the Interior and shall not be a part of any executive department in the government of the Virgin Islands.

Section 18: The House conferees agreed to accept the systems of accounting and internal control proposed by the Senate conferees. These systems must meet certain standards specified therein.

Section 19 provides for the annual review by the Comptroller General of the United States of the office and activities of the government comptroller, with a report thereon to be submitted by the former to the Governor, the Secretary of the Interior, and to the Congress.

Section 20, in subsection (a), provides a salary for the Governor in accordance with existing law; subsection (b) provides for the establishment by the Secretary of the Interior of rates of salaries for others in the executive branch of the Virgin Islands; and in subsection (c) provides for the payment of the salaries of the Governor, the Government Secretary and members of their immediate staffs, by the United States, and those of the government comptroller and the heads of the executive departments by the government of the Virgin Islands.

Section 21 vests the judicial powers of the Virgin Islands in the District Court of the Virgin Islands and in inferior courts created by local law.

Section 22 provides that the District Court of the Virgin Islands shall have the jurisdiction of a district court in the United States, as well as certain local jurisdiction, both original and appellate. The House conferees agreed to the Senate proposal that certain suggestions made by the Honorable Albert B. Maris of the Third Circuit Court be accepted. These suggestions include the stipulation that the District Court of the Virgin Islands shall have jurisdiction over all causes arising under the Constitution, treaties, and laws of the United States regardless of the sum or value of the matter in controversy. The House also agreed to the Senate's request to accept the provision that, when it is in the interest of justice to do so, the district court may, on motion of any party, transfer to the district court any action or proceeding brought in an inferior court and the district court shall have jurisdiction to hear and determine such action or proceeding.

Section 23 provides that the inferior courts shall have jurisdiction concurrent with the district court of civil actions in which the matter in controversy does not exceed \$500 and in criminal cases in which the maximum punishment which might be imposed does not exceed a fine of \$500 or 6 months' imprisonment, or both. The House conferees agreed to accept the Senate's language, which provides that the inferior courts shall have original jurisdiction concurrently with the district court and that any action or proceeding brought in the district court, which is within the jurisdiction of an inferior court, may be transferred to such inferior court by the district court in the interest of justice.

Section 24 provides for the appointment by the President, with the consent of the Senate, of a judge for the District Court of the Virgin Islands to hold office for an 8-year term, and for the temporary assignment of judges of the District Court of the Virgin Islands by the chief judge of the Third Judicial Circuit of the United States. It also provides for the appointment of a marshal and a deputy marshal for the Virgin Islands by the Attorney General of the United States. It is the opinion of the conference committee that in times of emergency the marshal may appoint as many deputies as may be required. In the matter of the temporary assignment of judges to the District Court of the Virgin Islands, the House agreed to the Senate's proposal.

Section 25 provides for two judicial divisions and for the holding of sessions of the district court in both. Upon the suggestion of Judge Maris, both the Senate and the House amended this section from the floor to include the following provision: "The rules of practice and procedure heretofore or hereafter promulgated and made effective by the Supreme Court of the United States pursuant to section 2072 of title 28, United States Code, in civil cases, section 2073 of title 28, United States Code, in admiralty cases, and section 30 of the Bankruptcy Act in bankruptcy cases, shall apply to the District Court of the Virgin Islands and to appeals therefrom. All offenses shall continue to be prosecuted in the District Court by information as heretofore except such as

may be required by local law to be prosecuted by indictment by grand jury."

Section 26 guarantees the right to trial by jury in criminal actions to those who demand it.

Section 27 provides for the appointment by the President, with the consent of the Senate, of a United States district attorney and for the appointment by the Attorney General of an assistant district attorney of the United States. This section also outlines the duties of these officials.

Section 28, subsection (a), provides that the proceeds of customs duties, United States income taxes, other taxes levied by Congress and certain other fees less the cost of collection shall be covered into the treasury of the Virgin Islands. Taxes collected in connection with the old-age and survivors' insurance program are specifically exempt. This section further provides that all persons whose permanent residence is in the Virgin Islands shall satisfy their United States income-tax obligations by paying their tax to the Virgin Islands regardless of their source of income. The conferees agreed to accept the wording of the House version that the term "inhabitants of the Virgin Islands" shall include all persons whose permanent residence is in the Virgin Islands in lieu of the Senate stipulation that "inhabitants of the Virgin Islands" shall include all citizens of the United States whose permanent residence is in the United States. Subsection (b) provides that the Secretary of the Treasury shall determine annually the amount of taxes collected under Federal internal revenue laws with respect to articles produced in the Virgin Islands and transported to the United States. From this amount, there shall be paid to the government of the Virgin Islands a sum equal to the amount of revenue collected during the same years by the government of the Virgin Islands. Such sum would be available for expenditure as the Territorial legislature, with the approval of the President, may determine. For the fiscal years 1955 and 1956, the remainder of the amount collected under the Federal internal revenue laws on Virgin Islands products sent to the United States, or the sum of \$1 million, whichever is greater, shall also be paid to the government of the Virgin Islands. Such sums shall be expended only for such emergency purposes or for such public projects as the President approves. If funds for such emergency purposes of public projects are not expended during the fiscal year, they remain available for subsequent expenditure, but they cannot exceed \$5 million at the end of any fiscal year. Subsection (c) provides that certain sections of the Trade Mark Act of 1946 and the Tariff Act of 1930 shall not apply to importations into the Virgin Islands of genuine foreign merchandise bearing a genuine foreign trade-mark but shall remain applicable to importations of such merchandise from the Virgin Islands into the United States or its possessions. It further provides that dealing in or possession of any such merchandise in the Virgin Islands shall not constitute a violation of any registrant's right under said Trade Mark Act. This revision, prepared jointly by officials from the Departments of Interior, Commerce, and Treasury, is in response to objections raised to the original version, and was agreed to by both legislative bodies.

Section 28 (d) provides that articles which are the growth, product, or manufacture of the Virgin Islands, or which do not contain more than 50 percent of their total value, may be admitted into the United States free from customs duty. Otherwise, such importations shall be subject to the rates of duty imposed by section 3350 of title 26, United States Code. This proposal was made by the Department of the Treasury.

Section 29 provides that officials of the government of the Virgin Islands shall be citizens of the United States and that they shall take the oath set forth in this section.

Section 30 provides generally that matters pertaining to the government of the Virgin Islands, except for the judiciary, shall be placed under the jurisdiction of the Secretary of the Interior. Upon the suggestion of Judge Maris, the following statement was added to the end of the section: "and the matters relating to the United States attorney and the United States marshal, which on the date of the approval of this Act are under the supervision of the Attorney General."

Section 31 (a) authorizes the Secretary of the Interior to lease or sell property of the United States under his administrative supervision in the Virgin Islands. Subsection (b) provides that the government of the Virgin Islands shall have control over public property that is under its control on the date of enactment of the act.

Section 32 provides an amendment to the Animal Quarantine Act, so that cattle which have been infested with or exposed to ticks, but which are now free from them, may be admitted into the Virgin Islands under such regulations as the Secretary of Agriculture may prescribe.

Section 33 amends a statute pertaining to poultry quarantine to provide that the Secretary of Agriculture cannot issue regulations or take measures with respect to the introduction of live poultry into the Virgin Islands.

Section 34 sets up an orderly procedure under which the provisions of this act shall supersede existing law.

Section 35 authorizes appropriations to carry out the purposes of this act. The House conferees agreed to this provision which authorizes these appropriations.

Section 36 provides that if any portion of this act is held invalid, the remainder shall not be affected thereby. This severability clause was included at the request of the Senate conferees.

WESLEY A. D'EWART,
JOHN P. SAYLOR,
E. Y. BERRY,
CLAIR ENGLE,
LLOYD M. BENTSEN, JR.,

Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

AMENDMENTS TO BANKHEAD-JONES FARM TENANT ACT

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the bill S. 1276 be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. HOPE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended by inserting "not in excess of 5 percent" in lieu of "4 percent," and section 12 (c) (4) of such act is amended by inserting "not in excess of 4 percent" in lieu of "3 percent."

With the following committee amendment:

Strike out all after the enacting clause and insert "That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

"(a) The words 'less any prior lien indebtedness' shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words 'or second' shall be inserted after the word 'first' where it appears in the first sentence of section 3 (a).

"(b) The words 'a rate of interest not in excess of 5 percent per annum as determined by the Secretary' shall be inserted in lieu of the words 'the rate of 4 percent per annum' in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

"(c) the words 'shall not be in excess of 4 percent per annum as determined by the Secretary' shall be inserted in lieu of the words 'shall be 3 percent per annum' in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

"(d) The words 'pursuant to section 43' shall be deleted from section 46 (7 U. S. C. 1020).

"(e) Section 51 of said act (7 U. S. C. 1025) is amended to read as follows, except insofar as said section affects title III of the Bankhead-Jones Farm Tenant Act, as amended:

"The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this act, the act of August 14, 1946, the act of April 6, 1949, the act of August 28, 1937, or the item 'Loans to farmers, 1948, flood damage' in the act of June 25, 1948, as those acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of 1 year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this act."

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes."

A motion to reconsider was laid on the table.

THE TVA MUST BE CONSISTENT OR NO CALF LIKES TO BE WEANED

The SPEAKER. Under special order heretofore entered, the gentleman from California [Mr. PHILLIPS] is recognized for 60 minutes.

(Mr. PHILLIPS asked and was given permission to revise and extend his remarks.)

Mr. PHILLIPS. Mr. Speaker, last Tuesday, I came on the floor, as you will recall, somewhat unexpectedly and discovered that a few of my friends in the Congress were blowing up the proverbial "tempest in a teapot" over the logical, and very reasonable proposal, that the Atomic Energy Commission, as the party most interested, should contract with a group of private utility companies—who would, in turn, create a separate corpo-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 15, 1954

For actions of July 14, 1954

83rd-2nd, No. 131

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS; House passed bill to transfer surplus CCC seeds to Forest Service and BLM. House committee reported bills authorizing long-term leases of forest lands and study of Hawaii water resources. House committee announced decisions on Federal pay bill. Senate committee made decisions on farm program bill. Senate concurred in House amendments to bill to amend the Farm Tenant Act. Senate received supplemental appropriation estimates for this Department. Sens. Ferguson, Aiken, Young, Humphrey, and others, debated farm program. Senate committees reported bills to standardize rates on household goods shipped by U. S. Govt. for employees, and to authorize FCA to make LBC type loans.

HOUSE

1. CCC SEEDS; FORESTRY. Passed as reported S. 2987, to authorize transfer of surplus CCC seeds to the Forest Service and BLM and to authorize appropriations for planting these seeds (pp. 9962-5).
2. FORESTRY; WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendment H. R. 2843, to authorize the Interior Department to investigate and report to Congress on the conservation, development, and utilization of the water resources of Hawaii (H. Rept. 2241); and H. R. 1254, to authorize long-term leases, permits, or easements to States and other public agencies on national forest and other Federal lands (H. Rept. 2243)(p. 9969).
3. MINERALS; PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment S. 2380, to amend the Mineral Leasing Act (H. Rept. 2238); and S. 2381, to promote development of oil and gas on the public domain (H. Rept. 2239)(p. 9969).
4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 8384, to authorize the Talent division of the Rogue River project, Oreg. (H. Rept. 2244)(p. 9969).
Agreed to the conference report on H. R. 5731, to authorize reclamation

facilities on the Santa Margarita River, Calif. (pp. 9949-50).

5. PERSONNEL. The "Daily Digest" states: "Committee on Post Office and Civil Service: Continued consideration of H. R. 8093, Federal pay bill, and agreed to place a \$180 minimum on the increase recommended yesterday for all employees under the Classification Act. Other actions taken were--struck out the provision to repeal the Whitten rider; struck out the provision which would have permitted selection of 5 persons from the list of civil-service eligibles instead of 3; and approved an amendment permitting appeal to the Commission where persons are passed over on eligibility lists because of their sex." (p.D836)

SENATE

6. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "in executive session, reconsidered its action of July 9 on S. 3052, to encourage a stable, prosperous, and free agriculture, and took the following additional actions thereon: (1) Agreed to include in S. 3052 the provisions of S. 2911, to provide for the development of a sound and profitable domestic wool industry; and (2) agreed to delete the proposed inclusion of oling peaches, pears, Irish potatoes, and sweetpotatoes for canning and freezing under market agreements and orders. Following these additional actions, the committee again ordered this bill reported to the Senate." (p. D832)

Sens. Ferguson, Aiken, Young, Humphrey, and others, discussed the Administration's farmprogram (pp. 9981-5).

7. APPROPRIATIONS. Received from the President various supplemental appropriation estimates, including the following: National forest protection and management, \$375,000; watershed protection under H. R. 6788, \$3,000,000, including not to exceed \$50,000 for the Office of the Solicitor; water facilities loans under S. 3137, \$5,000,000 (loan authorization); Office of the Solicitor, \$50,000 under the water facilities loans bill and \$14,000 under S. 1276, to amend the Bankhead Jones Farm Tenant Act; Commodity Exchange Authority, \$93,000 (of which \$39,000 would be effective if the Act is extended to coffee, \$34,000 if the Act is extended to onions, and \$20,000 if the Act is extended to wool); and Foreign Agricultural Service, \$2,000,000 for agricultural attaches (including \$15,000 for representation allowances), of which \$1,000,000 shall be transferred from the State Department, and subject to enactment of the applicable provision of the farmprogram bill, H. R. 9680. (S. Doc. 138; p. 9972.)

8. PERSONNEL. The "Daily Digest" states that the Post Office and Civil Service Committee "met in executive session to discuss in detail pay raise legislation as it pertains to postal employees, classified employees, and others. Following this meeting, it was announced: (1) That the committee had defeated a motion to strike all after the enacting clause of H. R. 7774, to establish a uniform system for granting incentive awards to Federal officers and employees, and substitute in lieu thereof the content of S. 3444, to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, and that the new bill be reported to the Senate, and (2) that the chairman was authorized to call hearings on pay increase legislation early next week, the date of which is as yet undetermined." (p. D833)

9. FARM LOANS. Concurred in the House amendments to S. 1276, to amend title 1 of the Bankhead-Jones Farm Tenant Act, relating to farm ownership loans (p. 9995). For provisions of this bill see Digest 129. This bill will now be sent to the President.

Hendrickson	Magnuson	Robertson
Hickenlooper	Malone	Russell
Hill	Mansfield	Saltonstall
Humphrey	Martin	Schoeppel
Ives	Maybank	Smathers
Jackson	McCarran	Smith, Maine
Jenner	McCarthy	Smith, N. J.
Johnson, Colo.	Millikin	Sparkman
Johnson, Tex.	Monroney	Stennis
Johnston, S. C.	Morse	Symington
Kennedy	Mundt	Thye
Kilgore	Murray	Upton
Knowland	Neely	Watkins
Kuchel	Pastore	Welker
Langer	Payne	Wiley
Lehman	Potter	Williams
Lennon	Purtell	Young
Long	Reynolds	

The PRESIDING OFFICER. A quorum is present.

The bill is open to further amendment.

Mr. GORE. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 82, after line 19, it is proposed to insert the following: "Sec. 170."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

Mr. HICKENLOOPER. Mr. President, will the Senator from Tennessee explain what the amendment proposes to do?

Mr. GORE. My present proposed amendment adds a section number. An amendment which I shall offer later will embody the substance of the new section. The pending amendment provides only for the numbering of the new section.

Mr. HICKENLOOPER. I do not understand the procedure, Mr. President. I understand that the amendment which is offered by the Senator from Tennessee proposes to add a section number, but not the substance of the section.

Mr. GORE. That is correct. Later, I shall offer the substance of the section. It has not yet been written.

Mr. HICKENLOOPER. I do not desire to interfere with the procedure of the Senator from Tennessee, but I wish to state that I have never known such a procedure to be followed.

Mr. GORE. Does the Senator from Iowa object?

Mr. HICKENLOOPER. It is impossible to know how to vote, when there is before the Senate an amendment merely proposing a new section number, and when the substance of the amendment is not before us. I shall be glad to be informed of the substance of the proposed new section. I earnestly hope the Senator from Tennessee does not wish to have added at this time merely a new section number, because if the proposal to insert the number were to be agreed to, but if subsequently the substance of the section were not agreed to, it would be necessary to eliminate the section number.

Mr. GORE. Mr. President, a little later I shall be glad to accommodate the wishes of the Senator from Iowa.

AMENDMENT OF BANKHEAD-JONES FARM TENANT ACT, RELATING TO INTEREST RATES ON CERTAIN LOANS

The PRESIDING OFFICER laid before the Senate the amendments of the

House of Representatives to the bill (S. 1276) to amend the Bankhead-Jones Tenant Act in order to increase the interest rate on loans made under title I of such act, which were, to strike out all after the enacting clause and insert:

That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

(a) The words "less any prior lien indebtedness" shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words "or second" shall be inserted after the word "first" where it appears in the first sentence of section 3 (a).

(b) The words "a rate of interest not in excess of 5 percent per annum as determined by the Secretary" shall be inserted in lieu of the words "the rate of 4 percent per annum" in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

(c) The words "shall not be in excess of 4 percent per annum as determined by the Secretary" shall be inserted in lieu of the words "shall be 3 percent per annum" in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

(d) The words "pursuant to section 43" shall be deleted from section 46 (7 U. S. C. 1020).

(e) Section 51 of said act (7 U. S. C. 1025) is amended to read as follows, except insofar as said section affects title III of the Bankhead-Jones Farm Tenant Act, as amended:

"The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this act, the act of August 14, 1946, the act of April 6, 1949, the act of August 28, 1937, or the item 'Loans to Farmers, 1948, Flood Damage' in the act of June 25, 1948, as those acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this act."

And to amend the title so as to read: "An act to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes."

Mr. AIKEN. Mr. President, Senate bill 1276 was passed by the Senate a year ago, and has just been passed, with amendments, by the House. The amendments of the House of Representatives put the bill in much better form than it was at the time when it was passed by the Senate.

I now move that the Senate concur in the amendments of the House of Representatives.

Mr. GORE. Mr. President, do I correctly understand that the minority members of the committee have agreed to the House amendments?

Mr. AIKEN. Yes, indeed. Furthermore, the amendments have been taken up with the majority and minority leaders of the Senate, as well as with the Senator from New Mexico [Mr. ANDERSON], who is presently on the floor of the Senate. The committee, so far as I know, unanimously favors the amend-

ments adopted by the House of Representatives, which improve the bill.

Mr. GORE. Will the Senator from Vermont explain the House amendments?

Mr. AIKEN. Yes, Mr. President.

A year ago, when interest rates were rising, the Senate passed the bill authorizing interest rates of 4 or 5 percent on certain types of loans. The House of Representatives has amended the bill so as to provide for not more than 4 or 5 percent—a much better provision, because I think the interest rates have dropped a little since the Senate acted on the bill; and the purpose is to charge only whatever rate is necessary. The matter was gone into thoroughly by both the House and the Senate committees. I agree that the House version of the bill puts it in much better form.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. GORE. Mr. President, I desire to take a few moments to read into the RECORD an editorial from the Memphis Commercial Appeal, which will indicate to the Senate how strongly the people of that great city feel about the location of a steam plant in the immediate vicinity of Memphis, in view of the fact that the prevailing winds would blow the smoke from the plant directly over the city, and in view of other circumstances to which the editorial refers.

The editorial appeared on Sunday, July 11, under the title "Why We Oppose Powerplant Deal." I quote the editorial:

President Eisenhower has undertaken to give a private power combine a \$107 million powerplant.

By Executive order he has directed the Atomic Energy Commission to underwrite it with taxpayers' money.

He has ordered acceptance of a proposal from this combine, the Middle South Utilities, Inc., and the Southern Co., which includes a guaranty of 9 percent on earnings.

At the end of 25 years the plant would belong to this combine.

This has been done without any effort at competitive bidding.

The plant would be situated in West Memphis, a part of our community.

Three years of a big construction payroll would ring cash registers—for 3 years.

This 3-year gain will be lost many times in future years by higher prices for electricity because of undermining the Tennessee Valley Authority.

The principal purpose of this plant would be to keep TVA from building a plant.

TVA is being prevented from starting new plants necessary to serve its customers.

This policy has created a power shortage, principally because the Nation's defense is diverting so much TVA power.

The shortage is most severe in Memphis and the tightening shortage ahead will be worse here.

For the Government to give private power a plant at Memphis sets the stage for reduc-

ing the TVA power shortage by taking Memphis out of TVA.

We are on the extreme edge of TVA territory.

We see this proposed private powerplant at Memphis as the second step of a policy of which the third step would be forcing TVA out of Memphis.

We see it followed by another step in which northeast Mississippi would have to give up TVA, and another step taking TVA from the westward-sloping portions of west Tennessee.

Private power prices, or a crippled TVA forced to raise its prices, or small, locally owned plants—any of these would take from this community a purchasing power far higher and much longer than the 3-year construction payroll.

While power prices quiver under the assault of this plant, Memphis would be showered with fly ash and sulfur dioxide from boiler stacks.

We know modern combustion engineering can, if it is used, end the visible smoke and reduce fly ash and fumes, but it is only a reduction.

Ash and sulfur continue to come from the stacks, in particles reduced in size by the best engineering and therefore traveling greater distances.

This harmful waste from the boilers would be spread alike over Red Acres, Glenview, Fort Pickering, West Memphis, and all other Memphis communities.

This is a proposal to hand a power plant, to be paid for from the Nation's taxes, to a specific company.

This is a proposal for powerplant that would be 100 percent subsidy, while even TVA's most bitter critics can claim only a fractional subsidy in TVA powerplants, principally in the matter of freedom from Federal taxes on Federal property.

We consider this proposal would result in years of net harm to this community which would be so apparent in the future that we could be held responsible unless we raised the alarm now. We consider it to be a wasteful, unsound attempt at favoritism with the Nation's funds.

As citizens of Memphis and of the United States we protest because we must.

That ends the editorial in the Memphis Commercial Appeal of last Sunday.

Immediately below the editorial, and also on the editorial page, there is a collection of editorials under the heading "Why Others Oppose It." The first editorial in that group is from the Milwaukee Journal—quite a distance from Memphis. The editorial reads as follows:

A Senate judiciary subcommittee requests that the Atomic Energy Commission halt negotiations with a private power combine for electric power for its Paducah (Ky.) plant, ought to be headed. Anything that will give opportunity to study the scrambled mess created by the negotiations is all to the good.

The story is this: AEC gets about 600,000 kilowatt-hours of electricity from the Tennessee Valley Authority. TVA power commitments require it to obtain more power. President Eisenhower, by executive order, has directed AEC to negotiate a firm contract with two private power concerns for construction of a plant to produce 600,000 kilowatts of electricity.

Mr. President, I digress from the reading of the editorial, to say that the Atomic Energy Commission receives far more than 600,000 kilowatts of electricity from the TVA. The contract for Paducah alone is for 1,200,000 kilowatts.

Continuing the editorial, Mr. President:

The plant would be built at West Memphis, Ark., 200 miles from Paducah. The power would be sold to TVA for use in the Memphis area to replace power now being sold to AEC by TVA.

There are a number of questions that need answers:

The AEC, by a 3 to 2 vote, opposed the plan ordered by the President. Is it proper for the President to overrule an independent agency in operating matters?

The President's order specifies the private combine with which AEC shall negotiate. Other private firms, as well as TVA, have offered plans for providing the needed power. Shouldn't matters of this kind—if TVA is ruled out—be handled by competitive bid?

AEC is unhappy because the President's plan will cost it more money than its present method of obtaining power. AEC estimates that power obtained under the President's plan would cost it at least \$97 million more in the next 25 years than its present TVA power costs. Others estimate the added cost at \$139 million.

Of this sum (the lower \$97 million), TVA would have to pay about \$1,360,000 a year and the AEC about \$2,320,000 a year. That means that TVA customers would be charged for providing power for AEC. It means that AEC would not be allowed to operate as economically as it might. It means that both would be paying what amounts to subsidies to a private firm.

I digress to say again that this editorial is from the Milwaukee Journal. Continuing to read:

The private company, meanwhile, would be in a most happy position. It would get its contract without competition. It would get a guaranteed customer for 25 years. It would end up not only with an annual profit but owning a \$107-million plant. If TVA built the plant, the Government would own it and save at least \$97 million as well. If other private firms were allowed to bid, there is every indication that costs would be cheaper. For instance, one offer by private interests which was turned down would have provided the power for 25 years and turned the plant over to the Government. Is the President's order good economy?

Much is made by proponents of the plan that it will help stop creeping socialism and aid private enterprise. What kind of private enterprise is it that is given direct subsidy to the extent that all risk is removed from its venture?

AEC has always been notable for its lack of politics. It is now being shoved into the middle of a hot political fight. It is being used as a tool to curb TVA.

I remind my colleagues that these are not the words of the junior Senator from Tennessee. I am reading from an editorial published in the Milwaukee Journal:

It may be that TVA should not expand. But, should AEC, which has the great job of handling our vital atomic and hydrogen developments, be pushed into a fight which does not concern it?

TVA does not have authority to enter into long-term contracts to buy private power under the law. AEC does have that authority. The law says that it may make 25-year contracts for power in connection with its installations at Paducah, Oak Ridge, and Portsmouth, Ohio. Is it proper to stretch that language to cover a plant 200 miles away which would not provide power to AEC but to TVA?

The President said in Memphis in 1952 that he would not "impair the effective working out of TVA." Not too long ago he called TVA an example of creeping social-

ism. He said at a press conference the other day that TVA's future would be studied. Well and good. Even TVA's most rabid supporters cannot object to a fair study of TVA's place in the future.

But isn't the strange order telling AEC to negotiate with the private combine prejudging TVA's place in the future? And, even if one accepted the idea of TVA critics that the project is creeping socialism and a monstrosity, isn't the new proposal merely creating another monstrosity supported by the creeping socialism of full subsidy?

The next editorial listed is from the Washington Post, also located far from the city of Memphis and from the Tennessee Valley. It reads as follows:

President Eisenhower's letter instructing the Atomic Energy Commission, in effect, to purchase power from certain private utility companies is unfortunate from every point of view.

As a matter of administration, this kind of interference with the independent judgment of a commission is mischievous.

In terms of business practice, it is an uneconomic arrangement, certain to prove costly to American taxpayers.

Considered as policy, it seems to reflect a doctrinaire preference for private power instead of public power, regardless of the needs and problems of a specific situation.

Through the Bureau of the Budget, the President has virtually ordered the AEC to do what 3 of its 5 Commissioners actively oppose and what the other 2 regard if not with misgivings at least without fervor. The new private powerplant will serve as a justification for denying TVA the funds it has requested for the purchase of steam plants to meet the power needs of the AEC and of area residents.

It is really a fight for TVA's life.

There have been few American achievements of the 20th century which have contributed more to the public welfare than TVA's achievement in harnessing the Tennessee River and its tributaries for the welfare of the valley's residents.

That magnificent American development must not now be stifled out of a mere doctrinaire opposition to public power and a nightmare fear of creeping socialism.

Next I read an editorial from the Louisville Courier-Journal, also outside the Tennessee Valley, but a great journal serving a State encompassing a part of the Tennessee Valley.

It reads as follows:

President Eisenhower and the Republican Congress teamed up in an attack on the Tennessee Valley Authority that threatens to destroy not only TVA but the entire public power structure.

The attack was launched on the trumpet calls of economy and "protection of free enterprise." But behind this smokescreen loomed the unmistakable outline of the spoilers.

We seriously doubt that the President, who has appeared in the past to use the phrases of the private-power people without fully understanding their meaning, now understands fully the implications of the plan he proposes.

The situation has the makings of a sellout to dwarf the tide-lands oil giveaway.

I read an editorial likewise reprinted in last Sunday's Memphis Commercial Appeal, from the Anderson (S. C.) Independent, which is also outside the Tennessee Valley:

The President's action is not surprising in itself. The surprising thing is the arrogance with which the public interest is shoved

Public Law 521 - 83d Congress
Chapter 562 - 2d Session
S. 1276

AN ACT

To amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1001), is further amended as follows:

(a) The words "less any prior lien indebtedness" shall be added at the end of and as a part of the parenthetical phrase of section 3 (a) (7 U. S. C. 1003 (a)), and the words "or second" shall be inserted after the word "first" where it appears in the first sentence of section 3 (a).

(b) The words "a rate of interest not in excess of 5 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "the rate of 4 per centum per annum" in section 3 (b) (2) (7 U. S. C. 1003 (b) (2)).

(c) The words "shall not be in excess of 4 per centum per annum as determined by the Secretary" shall be inserted in lieu of the words "shall be 3 per centum per annum" in section 12 (c) (4) (7 U. S. C. 1005b (c) (4)).

(d) The words "pursuant to section 43" shall be deleted from section 46 (7 U. S. C. 1020).

(e) Section 51 of said Act (7 U. S. C. 1025) is amended to read as follows, except insofar as said section affects title III of the Bankhead-Jones Farm Tenant Act, as amended:

"The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to or acquired by the Secretary under this Act, the Act of August 14, 1946, the Act of April 6, 1949, the Act of August 28, 1937, or the item 'Loans to Farmers, 1948, Flood Damage' in the Act of June 25, 1948, as those Acts are heretofore or hereafter amended or extended; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act."

Approved July 22, 1954.

Bankhead-Jones
Farm Tenant Act,
amendments.
50 Stat. 522.
7 USC 1000.
Loan terms.

Interest rates,
Direct loans.

62 Stat. 534.
Mortgage in-
surance.

62 Stat. 534.
7 USC 1017.

Loan protection,
eto.

68 Stat. 525.
63 Stat. 526.

60 Stat. 1062.
7 USC 1001 note.
63 Stat. 43; 50
Stat. 881.
12 USC 1148a-1 to
1148a-3; 7 USC
343f, 343g.
62 Stat. 1038.

7 USC 1017.

